

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing Saturday, June 17, 1944, at 10 a. m., on H. R. 4968, a bill to amend section 511 (c) of the Merchant Marine Act of 1936, as amended, relative to deposit of vessel proceeds received from the United States in certain cases, and for other purposes.

Persons desiring copies of the printed hearings when available will please notify the clerk by letter.

Witnesses are requested to notify the clerk by letter at least a day in advance of the hearing of their desire to testify in order that a list of witnesses may be prepared. Written statements for the record from persons other than witnesses should be submitted a day in advance. Amendments to be proposed during the hearing should be submitted to the reporter in duplicate.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EBERHARTER: Committee on Ways and Means. H. R. 4837. A bill to extend for an additional 2 years the suspension in part of the processing tax on coconut oil; without amendment (Rept. No. 1621). Referred to the House Calendar.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. S. 1432. A bill to extend the Civilian Pilot Training Act of 1939; with amendment (Rept. No. 1622). Referred to the Committee of the Whole House on the state of the Union.

Mr. JARMAN: Committee on Printing. House Concurrent Resolution 90. Concurrent resolution authorizing the printing of the manuscript containing an analysis of questions and answers on the individual income-tax act of 1944 as a House document, and providing for the printing of additional copies thereof for the use of the House document room; without amendment (Rept. No. 1619). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 589. Resolution providing for the consideration of S. 1718 to provide for the settlement of claims arising from terminated war contracts, and for other purposes; without amendment (Rept. No. 1620). Referred to the House Calendar.

Mr. JARMAN: Committee on Printing. House Resolution 579. Resolution authorizing the printing of additional copies of the hearings held before the Committee on Roads of the House of Representatives, current session, on the bill (H. R. 2426) to supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; without amendment (Rept. No. 1618). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 4714) granting a pension to Elizabeth Walter, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LESINSKI:

H. R. 4999. A bill to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War No. 1; to the Committee on Invalid Pensions.

By Mr. SPRINGER:

H. R. 5000. A bill to clarify the provisions of law relating to the display of service flags and the wearing of service lapel buttons, and for other purposes; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5831. By Mr. ANDREWS of New York: Resolution adopted by the city council of Niagara Falls favoring the enactment of House bill 4853, a bill providing for authorization of funds for a proposed post-war highway program; to the Committee on Roads.

5832. Also, resolution of the Delevan-Grider Businessmen's Association of Buffalo, N. Y., opposing the development of the St. Lawrence River as either a seaway or power project; to the Committee on Rivers and Harbors.

5833. By Mr. KENNEDY: Petition of president of the Union Dime Savings Bank of New York, concerning the Emergency Price Control Act of 1942; to the Committee on Banking and Currency.

5834. By Mr. SCANLON: Petition of residents of the Sixteenth Congressional District of Pennsylvania with 1,120 signatures, protesting against the passage of the Bryson bill, H. R. 2082, prohibiting the manufacture, sale, or distribution of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

5835. By Mr. SCOTT: resolution adopted by the Roxborough-Manayunk Lions Club of Philadelphia and the Pennsylvania State Association of Lions Clubs with regard to public representation at any peace conference; to the Committee on Foreign Affairs.

5836. By the SPEAKER: Petition of various real-estate owners, banks, and agents of New York City, petitioning consideration of their resolution with reference to the inequities in the rent-control section of the present Emergency Price Control Act; to the Committee on Banking and Currency.

SENATE

MONDAY, JUNE 12, 1944

(Legislative day of Tuesday, May 9, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God and Father of all men, who bringeth forth righteousness as the light and judgment as the noonday, our souls wait upon Thee, our expectation is from Thee. In calm confidence we come with humble hearts, in our deep need acknowledging with Thy servant of old: "In God is my salvation and my glory, the rock of my strength; and my refuge is in Him." In all the fiery tests of these critical days setting the shape of things to come, deepen the wells from which we draw our power to endure.

As we go about the immediate tasks the days demand, so drab in contrast with the danger others are facing for us, our constant thoughts are with our

fighting sons. With all the havoc and horror which awaits their brave advance into the very jaws of death, as they go to smite down the shackles of slavery, hear our intercession for their strength in need, their help in danger. And grant unto us for whom they make their sacrifice such penitence for our sins and shortcomings and such determination that the fearful price they are paying to preserve the free life shall not be in vain; that through us even this flaming wrath of man shall be made to serve Thee and Thy kingdom of justice and peace. We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary, Edwin A. Halsey, read the following letter:

UNITED STATES SENATE,

PRESIDENT PRO TEMPORE,

Washington, D. C., June 12, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. GUY M. GILLETTE, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

CARTER GLASS,

President pro tempore.

Mr. GILLETTE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HATCH, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 9, 1944, was dispensed with, and the Journal was approved.

ENROLLED BILLS PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on June 9, 1944, that committee presented to the President of the United States the following enrolled bills:

S. 754. An act for the relief of Iver M. Gesteland;

S. 891. An act for the relief of Rebecca Collins and W. W. Collins;

S. 1081. An act to add certain lands to the Upper Mississippi River Wild Life and Fish Refuge;

S. 1093. An act for the relief of Fermin Salas;

S. 1102. An act for the relief of Helene Murphy;

S. 1112. An act for the relief of Taylor W. Tonge;

S. 1247. An act for the relief of the Bishopville Milling Co.;

S. 1281. An act for the relief of Rebecca A. Knight and Martha A. Christian;

S. 1305. An act for the relief of Anne Rebecca Lewis and Mary Lewis;

S. 1335. An act to amend the fourth and fifth provisos of section 2 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437, 438; 30 U. S. C., secs. 201, 202);

S. 1355. An act for the relief of Robert C. Harris;

S. 1416. An act for the relief of Mrs. Judith H. Sedler, administratrix of the estate of Anthony F. Sedler, deceased;

S. 1553. An act for the relief of J. M. Miller, James W. Williams, and Gilbert Theriot;

S. 1660. An act granting the consent of Congress to the Minnesota Department of Highways and the county of Crow Wing in Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at Mill Street, in Brainerd, Minn.

S. 1682. An act to provide for the payment of compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, island of Oahu, Territory of Hawaii;

S. 1837. An act for the relief of Lt. (Jr. Gr.) Hugh A. Shiels, United States Naval Reserve; and

S. 1944. An act to amend the act entitled "An act to provide books for the adult blind."

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 8, 1944:

S. 1941. An act to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended.

On June 9, 1944:

S. 1102. An act for the relief of Helene Murphy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 90. Concurrent resolution authorizing the printing of the manuscript containing an analysis of questions and answers on the Individual Income Tax Act of 1944 as a House document, and providing for the printing of additional copies thereof for the use of the House document room; and

H. Con. Res. 91. Concurrent resolution felicitating the Republic of Iceland.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1849) for the relief of Muskingum Watershed Conservancy District, and it was signed by the Acting President pro tempore.

THE TRAGEDIES OF WAR—THE NECESSITY FOR LASTING PEACE

Mr. CONNALLY. Mr. President, I ask unanimous consent to proceed for 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. CONNALLY. Mr. President, I am sure that all of us were deeply touched and moved by the eloquent words of the Chaplain in his references to the titanic struggle in which our gallant men overseas are now engaged. Mr. President, we have witnessed the beginning of the most colossal operation by amphibious forces in the attack and landing on the French coast that history has ever yet recorded. We have of course suffered losses; many of our courageous men have paid with their lives; others will come back to us with maimed and broken bodies, carrying to their graves their badges of honor and distinction.

What I rose to say this morning, Mr. President, was that I pray God that the ruling powers, the great nations and the small nations alike, may be impressed by the terrible tragedies of this war, and resolve that there shall be set up peace

machinery that shall make impossible in the years to come a recurrence of such a frightful holocaust. The Committee on Foreign Relations, through a subcommittee, has been working diligently for a considerable period with the Secretary of State on general plans and methods of procedure, for submission to the other powers of the earth, looking to the establishment of such an instrumentality. I wish to express my deep sense of appreciation to the members of that subcommittee, both the majority and the minority, and I desire to observe that so far politics and partisanship have not entered into its deliberations. I particularly congratulate the prominent members of the minority party who are members of that subcommittee.

Mr. President, whatever may be accomplished will not, of course, carry with it the elements of perfection; it will not probably satisfy every group and every particular shade of opinion throughout the world. But, Mr. President, this war is a challenge to the civilization of the earth. The flooding rivers of blood that are being released all over the globe ask us the question and ask the other nations of the earth the question, Are we to permit this thing to occur again within the time, perhaps, of living men?

So today, as I shall continue to do from time to time, I want to lift my voice here and pray that the nations of the earth may look upon this plan or some plan and embrace it, make it a reality, and establish it in this twentieth century as the great light for the future generations of the world, and that we shall strive and give our best resources of mind and of heart and of soul and of purpose and, if necessary, material resources, to the accomplishment of this great ambition, this noble conception, this high plan for future peace, the chaining of the god of war, and the crushing of the cruel monsters of aggression and military force.

Mr. HATCH. Mr. President, apropos of the remarks of the Senator from Texas concerning the tragedies which have occurred and are now occurring overseas, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an article written by that outstanding war correspondent, Ernie Pyle. I call the attention of the Senate to a paragraph of Mr. Pyle's article, lest some of us may think that the going was easy in landing our forces at various beachheads:

Now that it is over—

Mr. Pyle says—

It seems to me a pure miracle we ever took the beach at all. For some it was easy, but in this special sector where I now am our troops faced such odds that our getting ashore was like me whipping Joe Louis down to a pulp. In this column I want to tell you what opening the second front in this one sector entailed, so you can know and appreciate and forever be humbly grateful to those both dead and alive who did it for you.

Mr. President, I hope that all of us may be forever grateful to those, both dead and alive, who did it for us and who are today doing it for us and for the cause of peace throughout the whole world.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALLIES OUTNUMBERED FOUR TO THREE—BEACH-
HEAD SEIZURE CALLED PURE MIRACLE BY ERNIE
PYLE

(By Ernie Pyle)

WITH AMERICAN FORCES IN FRANCE, June 11.—Due to a last-minute altered arrangement, I didn't arrive on the beachhead until the morning after D-day, after our first wave of assault troops had hit shore.

By the time we got here the beaches had been taken and fighting moved a couple miles inland.

All that remained on the beach was some sniper and artillery fire and the occasional startling blast of a mine geysering brown sand into air—that plus the gigantic and pitiful litter of wreckage along miles of shore line. Submerged tanks and upturned boats and burned trucks and shell-shattered jeeps and sad little personal belongings are strewn all over on these bitter sands.

That, plus bodies of soldiers lying in rows of covered blankets, the toes of their shoes sticking up in line as though on drill. And other uncollected bodies still sprawling grotesquely in sand or half-hidden by high grass behind the beach.

That, plus an intense, grim determination of work-weary men to get the chaotic beach organized and get all the vital supplies and reinforcements moving more rapidly over it from stacked-up ships standing in droves out to sea.

Now that it is over it seems to me a pure miracle we ever took the beach at all. For some it was easy, but in this special sector where I now am our troops faced such odds that our getting the shore was like me whipping Joe Louis down to a pulp. In this column I want to tell you what opening the second front in this one sector entailed, so you can know and appreciate and forever be humbly grateful to those both dead and alive who did it for you.

Ashore, facing us, were more enemy troops than we had in our assault waves. The advantages were all theirs; the disadvantages all ours. The Germans were dug into positions they had been working on for months. Still they weren't yet all complete.

A 100-foot bluff a couple of hundred yards back from the beach had great concrete gun emplacements built right into the hilltops. They opened to the sides instead of the front, thus making it very hard for naval fire from the sea to reach them. They could shoot parallel with the beach and cover every foot of it for miles with artillery fire.

Then they had hidden machine-gun nests on the forward slopes, with cross-fire taking in every inch of the beach. These nests connected with networks of trenches so the German gunners could move about without exposing themselves.

Throughout the length of beach, running zigzag a couple of hundred yards back from shore line, was an immense, V-shaped ditch, 15 feet deep.

Nothing could cross it, not even men afoot, until fills had been made. And in other places, at the far ends of the beach, where the ground was flatter, they had great concrete walls which had been blasted by naval gunfire or by hand-set explosives after we got ashore.

Our only exits from the beach were several swales or valleys, each about a hundred yards wide. The Germans made the most of these funnel-like traps, literally sowing their bottom sides with buried mines. They con-

tained, too, barbed-wire entanglements with mines attached to hidden ditches and machine guns firing from slopes.

That is what was on shore. But our men had to go through a maze nearly as deadly even before they got ashore. Underwater obstacles were terrific. Germans had whole fields of evil devices to catch our boats. Even now, several days after the landings, we've cleared only channels through them and cannot yet approach the whole length of the beach with our ships; even now a ship or boat hits one of these mines every day and is knocked out of commission.

The Germans had masses of those great-six-pronged spiders made of railroad iron and standing shoulder high in places just beneath the surface water for our landing craft to run into. They also had huge logs buried in the sand, pointing upward and outward, their tops just below the water. Attached to these logs were mines. In addition to these obstacles, they had floating mines in the beach waters, land mines buried in the sand beach, and more mines in checkerboard rows in the tall grass beyond the sand.

And as I said before, the enemy had four men on shore for every three men we had approaching the shore. And yet we got on.

Beach landings are planned to a schedule set far ahead of time. That is no secret for they all have to be timed in order that everything will mesh and for the following waves of troops to be standing off the beach and ready to land at the right moment. As the landings are planned, some elements of the assault force break through quickly and push on inland and attack the most obvious enemy strong points. It usually is the plan for units to be inland, attacking gun positions from behind within minutes after the first men hit the beach.

I've always been amazed at the speed called for in these plans. You'll have schedules calling for engineers to land at H-hour plus 2 minutes and service troops at H plus 30 and even for press censors to land at H-hour plus 75 minutes, but in this attack on a special portion of the beach where I am, the worst we had, incidentally, the schedule didn't hold. Our men simply could not get off the beach. They were utterly pinned down right at the water's edge by an inhuman wall of fire from the bluff. Our first waves were on that beach for hours instead of a few minutes before they could begin working inland. You can still see foxholes dug at the very water's edge out of the sand and small jumbled rocks that form parts of the beach.

NAVAL GUNS CRACK DEFENSES

Medical Corps men attended wounded as best they could. Men were killed as they stepped out of landing craft. An officer whom I know got a bullet right through his head just as the door of his landing craft let down. Some were drowned.

The first crack in the beach defense finally was accomplished by terrific and wonderful naval gunfire which knocked out the big emplacements. They tell epic stories of destroyers that ran right up into shallow water and had it out point blank with big guns in those concrete emplacements ashore.

When the heavy fire stopped, our men were organized by their officers and pushed on inland, circling machine-gun nests and taking them from the rear. As one officer said, the only way to take a beach is to face it and keep going. It is costly at first, but it is the only way. If the men are pinned down on the beach, dug in and out of action, they might as well not be there at all.

They hold up the waves behind them. Our men were pinned down for a while but finally they stood up and went through, and so we took that beach and accomplished our landing. We did it with every advantage on the enemy's side and every disadvantage on ours. In the light of a couple of days' retrospection,

we sit and talk and call it a miracle we ever got on at all or that we were able to stay on.

Before long units that did it will be permitted to be named. Then you'll know to whom this glory should go. They suffered casualties as a unit. And yet if you take the entire beachhead assault, including other units that had a much easier time, our total casualties for opening the wedge onto the continent of Europe is remarkably low, only a fraction, in fact, of what our commanders had been prepared to accept.

And these units that were so battered and went through such hell are still right at this moment pushing on inland without rest, their spirits high, their egotism in victory almost reaching smart alecky stage.

Their tails are up. We've done it again, they say. They figure the rest of the Army isn't needed at all, which proves their judgment is bad, but it certainly is the spirit that wins battles and eventually wars.

MR. VANDENBERG. Mr. President, the able senior Senator from Texas [Mr. CONNALLY], the chairman of the Senate Foreign Relations Committee, in his remarks today has been very kind to the minority members of the special Senate committee which has been consulting with the Secretary of State upon this momentous subject of our post-war aspirations and purposes. As one of the minority group, I wish to thank him for his expression, and to say, in reply, that I have never known a chairman of any Senate committee to have dealt more generously, more patiently, more considerately, and more tolerantly, than he has constantly dealt with us throughout this long and critical period.

I wish to add my complete agreement with his ultimate prayer and dedication. From my point of view, it would be a final tragedy if partisan politics, as such, were to enter into any phase of the post-war planning by which we intend, if we can, to justify the sacrifices which are being made by our patriot sons. It is inevitable that there will be some differences of opinion in respect to details and in respect to procedures regarding a problem of this magnitude. But in the pursuit of a just peace, in the fashioning of adequate and effective international machinery to implement it, and in the creation of new post-war international forces which, while guarding every essential American interest, shall preserve the peace and prevent a recurrence of military aggression, I can assure the able chairman of the Senate Committee on Foreign Relations and the country that those on this side of the aisle will march shoulder to shoulder with him in pursuit of these supreme objectives.

MR. JACKSON. Mr. President, the distinguished and beloved senior Senator from the State of Texas has given me an opportunity I have sought for many weeks. I have been a Member of the Senate but since January, and my colleagues know that I have not taken the floor of the Senate to speak upon any subject. I promised myself that I would conform to the unwritten rule and be silent, as a first term, but I have now determined that some time before next election day, when my short term here will end, I shall make a special effort to speak in behalf of the aspirations of humanity in the field of a permanent, per-

petual, just, and Christian peace. I thank the Senator from Texas for opening up that question on this day, the second week of the invasion. Whose sons were lost in the Straits of Dover, whose boys are entangled in the barbed wire today, which of them have been bombed out of the sky, and what precious and hopeful bodies of the young have been turned into putrescent flesh, we do not know. These, Senators, are bloody words, but America must learn of blood in order to realize that mankind is worth saving, and that if it is to be saved, it must be saved under the leadership of this Republic.

Mr. President, I have in my hand what I believe to be the most beautiful piece of literature coming out of this war. I shall take the time to read it, for it is worthy of reading, not my words, but the words of this poetess. It is very brief. It is a letter to St. Peter, written by Elma Dean, and it reads like this:

Let them in, Peter, they are very tired;
Give them the couches where the angels sleep.
Let them wake whole again to new dawns fired
With Sun, not war. And may their peace be deep.
Remember where the broken bodies lie,
And give them things they like. Let them make noise.
God knows how young they were to have to die!
Give swing bands, not gold harps, to these our boys.
Let them love, Peter—they have had no time—
Girls sweet as meadow wind, with flowering hair,
They should have trees and bird song, hills to climb—
The taste of summer in a ripened pear.
Tell them how they are missed. Say not to fear;
It's going to be all right with us down here.

CALL OF THE ROLL

MR. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Austin	Guffey	Reynolds
Ball	Gurney	Robertson
Bankhead	Hatch	Russell
Bilbo	Hill	Shipstead
Brewster	Holman	Stewart
Bridges	Jackson	Taft
Buck	Johnson, Colo.	Thomas, Idaho
Burton	Kilgore	Thomas, Okla.
Bushfield	La Follette	Thomas, Utah
Butler	Lucas	Truman
Byrd	McClellan	Tunnell
Capper	McFarland	Tydings
Chavez	McKellar	Vandenberg
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murdock	Wheeler
Eastland	Murray	Wherry
Ellender	O'Daniel	White
Ferguson	Overton	Wiley
George	Pepper	Willis
Gerry	Radcliffe	Wilson
Gillette	Reed	

MR. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr.

O'MAHONEY] are absent from the Senate because of illness.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mrs. CARAWAY], the Senators from Kentucky [Mr. BARKLEY and Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Arizona [Mr. HAYDEN], the Senator from Connecticut [Mr. MALONEY], and the Senator from South Carolina [Mr. SMITH] are detained on public business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], and the Senator from Massachusetts [Mr. WEEKS] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The ACTING PRESIDENT pro tempore. Seventy-four Senators have answered to their names. A quorum is present.

CARE OF EUROPEAN WAR REFUGEES— PERSECUTED MINORITIES

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read by the legislative clerk, and referred to the Committee on Foreign Relations:

To the Congress of the United States:

Congress has repeatedly manifested its deep concern with the pitiful plight of the persecuted minorities in Europe whose lives are each day being offered in sacrifice on the altar of Nazi tyranny.

This Nation is appalled by the systematic persecution of helpless minority groups by the Nazis. To us the unprovoked murder of innocent people simply because of race, religion, or political creed is the blackest of all possible crimes. Since the Nazis began this campaign many of our citizens in all walks of life and of all political and religious persuasions have expressed our feeling of repulsion and our anger. It is a matter with respect to which there is and can be no division of opinion amongst us.

As the hour of the final defeat of the Hitlerite forces draws closer, the fury of their insane desire to wipe out the Jewish race in Europe continues undiminished. This is but one example: Many Christian groups also are being murdered. Knowing that they have lost the war, the Nazis are determined to complete their program of mass extermination. This program is but one manifestation of Hitler's aim to salvage from military defeat victory for Nazi principles—the very principles which this war must destroy unless we shall have fought in vain.

This Government has not only made clear its abhorrence of this inhuman and barbarous activity of the Nazis, but, in

cooperation with other governments, has endeavored to alleviate the condition of the persecuted peoples. In January of this year I determined that this Government should intensify its efforts to combat the Nazi terror. Accordingly, I established the War Refugee Board, composed of the Secretaries of State, Treasury, and War. This Board was charged with the responsibility of taking all action consistent with the successful prosecution of the war to rescue the victims of enemy oppression in imminent danger of death and to afford such victims all other possible relief and assistance. It was entrusted with the solemn duty of translating this Government's humanitarian policy into prompt action, thus manifesting once again in a concrete way that our kind of world and not Hitler's will prevail. Its purpose is directly and closely related to our whole war effort.

Since its establishment, the War Refugee Board, acting through a full-time administrative staff, has made a direct and forceful attack on the problem. Operating quietly, as is appropriate, the Board, through its representatives in various parts of the world, has actually succeeded in saving the lives of innocent people. Not only have refugees been evacuated from enemy territory, but many measures have been taken to protect the lives of those who have not been able to escape.

Above all, the efforts of the Board have brought new hope to the oppressed peoples of Europe. This statement is not idle speculation. From various sources, I have received word that thousands of people, wearied by their years of resistance to Hitler and by their sufferings to the point of giving up the struggle, have been given the will and desire to continue by the concrete manifestation of this Government's desire to do all possible to aid and rescue the oppressed.

To the Hitlerites, their subordinates and functionaries and satellites, to the German people and to all other peoples under the Nazi yoke, we have made clear our determination to punish all participants in these acts of savagery. In the name of humanity we have called upon them to spare the lives of these innocent people.

Notwithstanding this Government's unremitting efforts, which are continuing, the numbers actually rescued from the jaws of death have been small compared with the numbers still facing extinction in German territory. This is due principally to the fact that our enemies, despite all our appeals and our willingness to find havens of refuge for the oppressed peoples, persist in their fiendish extermination campaign and actively prevent the intended victims from escaping to safety.

In the face of this attitude of our enemies we must not fail to take full advantage of any opportunity, however limited, for the rescue of Hitler's victims. We are confronted with a most urgent situation.

Therefore, I wish to report to you today concerning a step which I have just taken in an effort to save additional lives and which I am certain will meet with

your approval. You will, I am sure, appreciate that this measure is not only consistent with the successful prosecution of the war, but that it was essential to take action without delay.

Even before the Allied landing in Italy there had been a substantial movement of persecuted peoples of various races and nationalities into that country. This movement was undoubtedly prompted by the fact that, despite all attempts by the Fascists to stir up intolerance, the warm-hearted Italian people could not forsake their centuries-old tradition of tolerance and humanitarianism. The Allied landings swelled this stream of fleeing and hunted peoples seeking sanctuary behind the guns of the United Nations. However, in view of the military situation in Italy, the number of refugees who can be accommodated there is relatively limited. The Allied military forces, in view of their primary responsibility, have not been able, generally speaking, to encourage the escape of refugees from enemy territory. This unfortunate situation has prevented the escape of the largest possible number of refugees. Furthermore as the number of refugees living in southern Italy increases, their care constitutes an additional and substantial burden for the military authorities.

Recently the facilities for the care of refugees in southern Italy have become so overtaxed that unless many refugees who have already escaped to that area and are arriving daily, particularly from the Balkan countries, can be promptly removed to havens of refuge elsewhere, the escape of refugees to that area from German-occupied territory will be seriously impeded. It was apparent that prompt action was necessary to meet this situation. Many of the refugees in southern Italy have been and are being moved to temporary refuges in the territory of other united and friendly nations. However, in view of the number of refugees still in southern Italy, the problem could not be solved unless temporary havens of refuge were found for some of them in still other areas. In view of this most urgent situation it seemed indispensable that the United States in keeping with our heritage and our ideals of liberty and justice take immediate steps to share the responsibility for meeting the problem.

Accordingly, arrangements have been made to bring immediately to this country approximately 1,000 refugees who have fled from their homelands to southern Italy. Upon the termination of the war they will be sent back to their homelands. These refugees are predominantly women and children. They will be placed on their arrival in a vacated Army camp on the Atlantic coast where they will remain under appropriate security restrictions.

The Army will take the necessary security precautions and the camp will be administered by the War Relocation Authority. The War Refugee Board is charged with over-all responsibility for this project.

FRANKLIN D. ROOSEVELT.
THE WHITE HOUSE, June 12, 1944.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

COST ASCERTAINMENT REPORTS, POST OFFICE DEPARTMENT

A letter from the Postmaster General, stating that due to wartime conditions it was not practicable to carry out satisfactorily for the fiscal year 1943, the authorization contained in House Document No. 406, Seventy-eighth Congress, second session, page 9, 43 Statutes at Large 1069, which provides—

"Sec. 214. The Postmaster General is hereby authorized to continue the work of ascertaining the revenues derived from and the cost of carrying and handling the several classes of mail matter and of performing the special services, and to state the results annually as far as practicable, and pay the cost thereof out of the appropriation for inland transportation by railroad routes"

and also stating that complete reports will be submitted for the fiscal year 1944 in due course; to the Committee on Post Offices and Post Roads.

FRED A. DIMLER AND GWENDOLYN E. DIMLER

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife (with accompanying papers); to the Committee on Claims.

PERSONNEL REQUIREMENTS

Letters from the Administrative Officer, the White House, the Postmaster General, the Associate Director of the National Park Service, the Acting Chairman of the United States Tariff Commission, Chairman of the Federal Deposit Insurance Corporation, Administrator of the National Gallery of Art, Chief of the Washington Office of the Panama Canal, Third Vice President of the Panama Railroad Company, and the Assistant Secretary-Treasurer of the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas, transmitting, pursuant to law, estimates of personnel requirements for their respective departments and offices for the quarter ending September 30, 1944 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Acting President pro tempore, and referred as indicated:

Resolutions of the Central Labor Union, of Omaha, Nebr., and the Trades and Labor Assembly, of Casper, Wyo., favoring the adoption of measures to establish a nationwide broadcast of congressional proceedings; to the Committee on Rules.

Petitions of sundry citizens and representatives of various real-estate companies and corporations of New York City, and vicinity, New York, praying for amendment of the rent-control section of the Emergency Price Control Act so as to remove alleged inequities therefrom; ordered to lie on the table.

RESOLUTIONS OF THE LOUISIANA LEGISLATURE

Mr. ELLENDER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD resolutions adopted by the Legislature of Louisiana.

First. Senate Concurrent Resolution No. 8, by Mr. Galienne, approving the construction by the United States of a permanent deep-draft channel 40 feet

deep from the Industrial Canal, New Orleans, La., eastward to a point at or near the Mississippi Sound mouth of the Rigolets, to the 40-foot contour in the vicinity of the Government light at the northern extremity of the Chandeleur Islands.

Second. House Concurrent Resolution No. 13, memorializing the Honorable Chester Bowles, Administrator, Office of Price Administration, and the Honorable Marvin Jones, Administrator, War Food Administration, to immediately revise price ceilings on farm products to comply with provisions of the Stabilization Act of 1942 and in accordance with the intentions of Congress in establishing the act; unless such steps are taken immediately memorializing the Members of Congress from this State to take the necessary steps to safeguard farmers and other citizens against such maladministration of the act when price-control legislation is extended.

Third. House Concurrent Resolution No. 15, memorializing the Office of Price Administration to remove ceiling prices from sales of raw furs.

Fourth. House Concurrent Resolution No. 22, memorializing the Congress of the United States to provide for the continued operation of the aluminum plant at Baton Rouge, La., operated for the Defense Plant Corporation by the Aluminum Co. of America.

The ACTING PRESIDENT pro tempore. Without objection, the resolutions presented by the Senator from Louisiana [Mr. ELLENDER] will be received, appropriately referred, and, under the rule, printed in the RECORD.

To the Committee on Commerce:

Senate Concurrent Resolution 8

Concurrent resolution approving the construction by the United States of a permanent deep draft channel 40 feet deep from the Industrial Canal, New Orleans, La., eastward to a point at or near the Mississippi Sound mouth of the Rigolets, to the 40-foot contour in the vicinity of the Government light at the northern extremity of the Chandeleur Islands

Whereas there is pending before the Board of Engineers for Rivers and Harbors in pursuance of a resolution by the Committee on Commerce of the United States Senate, adopted April 19, 1943, a request to review previous reports with a view to determining whether any modification of the recommendations contained therein is advisable at this time, particularly with respect to the advisability and cost of providing an emergency outlet from the Mississippi River in the interest of national defense and general commerce by the construction and maintenance of a permanent deep draft channel 40 feet deep, or such lesser depth as may be determined to be an economical ship channel from the Industrial Canal, New Orleans, La., eastward along the authorized route of the Intracoastal Waterway to a point at or near the Mississippi Sound mouth of the Rigolets, thence to the 40-foot contour in the vicinity of the Government light at the northern extremity of the Chandeleur Islands, and the district engineer is now taking testimony to report on this resolution; and

Whereas the Board of Commissioners of the Port of New Orleans is an agency of the State of Louisiana, created by Act No. 70 of 1896 of the General Assembly of the State of Louisiana, and among the duties delegated by the general assembly to the board is: "It shall be the duty of said board of commissioners to

examine and investigate all questions relating to the interest of the Port of New Orleans . . ."; and

Whereas acting under the above directive, the Board has caused to be made a thorough study of port conditions, its status as a port, its abilities and possibilities of better serving the Nation in time of war and in the post-war period, particularly the Mississippi Valley, and finds for the accomplishment of these objectives, the definite need for a deep, safe and dependable access channel to the sea, which the board of port commissioners believes should be dredged from a point on the Industrial Canal, utilizing that portion of the new link in the Intracoastal Waterway to a point at or near the Micaud Canal, and then extending to deep water in the Gulf at or near the Chandeleur Islands, and that the channel should have a minimum of 40-foot depth and a minimum of 700-foot bottom width; and

Whereas a 40-foot tidewater access channel to the sea should be provided as soon as possible as its construction would aid in the national defense, and would furnish to the Navy, the Maritime Commission, and the Army, tidewater facilities, and an access to the sea not now available; and

Whereas large naval vessels seldom enter the Mississippi River, because entrance and departure through existing channels entails a great risk; and

Whereas failure on the part of the Government to establish a modern navy yard graving docks and other facilities in keeping with the port's strategic location, is attributable to lack of tidewater facilities and safe and dependable access channels to the sea; and

Whereas the extent to which the Navy and the Maritime Commission are using the present tidewater facilities of the Industrial Canal, and of the tidewater canal specifically dredged for the use of Higgins Industries, clearly demonstrates the need for tidewater facilities in time of war; and

Whereas the construction, conditioning, and repair of Navy and maritime equipment now in process on these tidewater locations is limited in size and in scope, because of the necessity of passing through a vulnerable lock and the lack of a 40-foot channel to the sea; and

Whereas facilities of the ports on both the east and west coasts are taxed beyond their capacity and will be for a long time to come, and the west-coast ports will be kept for military purposes almost exclusively, New Orleans is the only port available for the concentration of the Nation's commerce; and

Whereas barge traffic on the Mississippi River has increased manifold in recent years and the use of this waterway, together with the numerous railroads serving New Orleans, makes this port the natural outlet for the foreign trade of the industrial empire of the Mississippi Valley; and

Whereas the port of New Orleans has met its responsibilities in the past and is prepared to do so in the future if provision is made at all times for accommodating the largest and most modern ships; and

Whereas the complete utilization of the river frontage and the necessity for still further expansion made necessary, two decades ago, the construction of the Inner Harbor Industrial Canal along whose banks there have been already built extensive industrial establishments and public docks and along which it is planned to locate future extensions of the public dock system; and

Whereas vessels now visiting the port of New Orleans must traverse either South or Southwest Passes; the width of the jettied channel at South Pass having been fixed 65 years ago and being inadequate for the needs of large modern vessels; and the decline in the discharge of Southwest Pass having made it impracticable to secure

a channel of the full width and depth advocated more than 45 years ago; and

Whereas a permanent and stable tidewater ship channel from the inner harbor at New Orleans to the Gulf of Mexico can be excavated and maintained at a reasonable and justifiable cost without encountering unusual or difficult problems, it being entirely practicable to dig that channel wide enough and deep enough to meet the needs of the largest vessels now desiring to use this port and to subsequently deepen and widen such channel whenever the need for such improvement arises; and

Whereas the State of Louisiana and the city of New Orleans have planned for the greater industrialization of the State and the city, to the end that the income of its citizens be put on a basis of fair comparison with citizens of other States; and

Whereas this project has been endorsed by the labor organizations, both A. F. of L. and the C. I. O., the American Merchant Marine Institute, New Orleans Steamship Association, ship owners and operators, and hundreds of civic and trade bodies throughout the Mississippi Valley; and

Whereas the construction of such a channel would provide employment for thousands during the war and the post-war period; and

Whereas the State of Louisiana is particularly fortunate in its production of minerals and chemicals, varied and in quantity, its forest and agricultural products are of respectable importance and subject to greater expansion; and

Whereas the State ranks high as a producer of oil and natural gas, and the proximity of producing wells to the site of the new proposed tidewater channel offers to industries desiring tidewater locations, fuel at the lowest possible cost; and

Whereas the construction of this tidewater channel to the sea, as proposed, would permit the development of a large area of land now practically valueless into an industrial center, the excavated material obtained from dredging of this channel and the connecting slips and laterals should be used for raising the adjoining marshland to usable elevation; and

Whereas the wharves and docks of concrete construction, shipside warehouses, and the much-needed foreign-trade zone, and industries of all descriptions requiring tidewater locations, would be located on the banks of this channel and its slips and laterals; and

Whereas the wharves and docks constructed on tidewater elevation would be at least 12 feet below those now on the river front, thus providing tidewater level from which water craft could be loaded and unloaded without adjustment to the varying elevation in the river of 20 feet or more; and

Whereas the wharves, docks, warehouses, and other facilities constructed in this tidewater area would not be subject to sliding or caving banks, as is the case on the river; and

Whereas all these facilities to be served by a system of railroad tracks and modern highways; and

Whereas the eventual construction and use of this tidewater port, made possible by a 40-foot channel to sea, coupled with the reduction in ocean freight rates brought about by the use of larger and deeper-draft cargo carriers, would result in almost unbelievable economies, which would bring about a saving throughout the entire Mississippi Valley and prosperity for the citizens of New Orleans and the State of Louisiana through the growth and expansion of the port's business; Therefore be it

Resolved by the Legislature of Louisiana (the house of representatives and senate concurring), That this legislature go on record as approving the construction and maintenance by the United States of a permanent deep-draft channel 40 feet deep from the

Industrial Canal, New Orleans, La., eastward to a point at or near the Mississippi Sound mouth of the Rigolets, thence to the 40-foot contour in the vicinity of the Government light at the northern extremity of the Chandeleur Islands, according to plans of the Chief of Army Engineers; be it further

Resolved, That the Governor of Louisiana be, and he is hereby, empowered, in his discretion, for the purpose of aiding and assisting and cooperating with the Federal Government in the obtaining and completion of this project, to authorize any one or more of the several departments of state to grant the use of engineering construction and other equipment, and the services of technicians, engineers, and experts of such departments; be it further

Resolved, That the Congress of the United States is hereby memorialized to speedily authorize this project as being in the interest of national defense and general commerce; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Secretary of War, the Chief of Army Engineers, and to the Louisiana Senators and all the Louisiana Congressmen, and to the members of the Rivers and Harbors Committee of the House of Representatives and the Committee on Commerce of the United States Senate.

Approved June 6, 1944.

To the Committee on Banking and Currency:

House Concurrent Resolution 13

Concurrent resolution memorializing the Honorable Chester Bowles, Administrator, Office of Price Administration, and the Honorable Marvin Jones, Administrator, War Food Administration, to immediately revise price ceilings on farm products to comply with provisions of the Stabilization Act of 1942 and in accordance with the intentions of Congress in establishing the act; unless such steps are taken immediately memorializing the Members of Congress from this State to take the necessary steps to safeguard farmers and other citizens against such maladministration of the act when price control legislation is extended

Whereas the Stabilization Act of 1942 definitely directs that farm prices shall be adjusted to meet changing conditions. Quoting from the act:

"Provided further, That modification shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodities for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodities incurred since January 1941, the maximum prices so established will not reflect such increased costs: * * * *Provided further,* That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor."

And whereas this language is very specific and mandatory in character. There can be no reasonable doubt but that Congress intended to require that ceilings on agricultural commodities must be adjusted from time to time to whatever extent necessary to get the maximum production and to offset farmers' increased labor costs and other costs since January 1, 1941.

And whereas in defiance of the clear wording and plain intent of this provision

of the law, the administrators of the price control program have failed to make these price adjustments. Maximum farm prices have been imposed in some cases below levels which would reflect parity prices to farmers. In other cases ceilings have been imposed below the support prices which the War Food Administrator determined were necessary to get adequate production. In other cases ceilings have been imposed below levels necessary to offset farmers' labor costs and other costs since January 1, 1941. For instance, in the case of presently existing ceilings on rough rice, the ceilings are below the levels of the year 1942 and violate the 1942 Emergency Price Control Act. In addition, while labor costs increased from 20 to 50 cents per hour from 1941 to 1944, or an increase of 150 percent, no provision was made for this increased cost or labor in establishing the maximum price ceilings on rough rice, even though the 1942 Price Control Act specifically states that "adequate weighting shall be given to farm labor." Farm labor costs have been increased from 100 to 300 percent in the different types of farming areas in Louisiana since 1941, according to the United States Department of Agriculture, and other costs, such as equipment, feed, seed, containers have increased accordingly. These cost increases, however, have not been considered in establishing the ceilings on the farm products produced in the State: Therefore be it.

Resolved by the House of Representatives of the Legislature of Louisiana (the Senate of the Legislature of Louisiana concurring), That this legislature do request and recommend that the Office of Price Administration take immediate steps to adjust all ceiling prices on farm products in accordance with the provisions of the 1942 Price Control Act in consideration of the intentions of Congress in establishing the act. Unless such steps are taken immediately to adjust the existing gross inequalities and failure to administer the act as passed by Congress, we recommend to the United States Senators and Members of the Congress of the United States from the State of Louisiana that they take adequate steps to safeguard farmers and other citizens against such maladministration of the act; be it further

Resolved, That the Clerk of the House of Representatives is hereby directed to forward official copies of this resolution to the Honorable Chester Bowles, Administrator, Office of Price Administration, to the Honorable Marvin Jones, Administrator, War Food Administration, and to each Senator and Representative of the State of Louisiana in the Congress of the United States.

Concurrent Resolution 15

Concurrent resolution memorializing the Office of Price Administration to remove ceiling prices from sales of raw furs

Whereas the application of ceiling prices as established by the Office of Price Administration to the sale of raw furs has worked an undue hardship on the trappers of the State, and the treasury of the State; and

Whereas a ceiling price has brought about a heavy loss of revenue to the State of Louisiana; and

Whereas the price of the dressed fur has increased about 80 percent but the price of raw fur remains at an unreasonable low figure: Now, therefore, be it

Resolved by the Legislature of Louisiana, That the Office of Price Administration be, and is, hereby memorialized to remove ceiling prices from sales of raw furs, be it further

Resolved, That copies of this concurrent resolution be immediately forwarded to the Louisiana senatorial and congressional representatives in Washington, and to the Office of Price Administration and to the press.

To the Committee on Military Affairs:

House Concurrent Resolution 22

Concurrent resolution memorializing the Congress of the United States to provide for the continued operation of the aluminum plant at Baton Rouge, La., operated for the Defense Plant Corporation by the Aluminum Co. of America

Whereas there has been invested \$25,000,000 in a modern plant for the conversion of raw material into aluminum oxide, which plant has been successfully operating for some time and gainfully employs 800 locally domesticated men and women; and

Whereas the products of this plant can be used for the many needs of our civilian population who, because of wartime restrictions, have not been able to freely secure articles made of aluminum; and

Whereas the continued operation of this plant will contribute materially to the welfare of the State of Louisiana and the Nation: Therefore be it

Resolved by the House of Representatives (the Senate of the State of Louisiana concurring). That this legislature does hereby memorialize the Congress of the United States to make provision for the continued operation of this plant for meeting the needs of our civilian population as well as the war uses of the products of this aluminum plant; be it further

Resolved, That copies hereof be sent to the Members of the Louisiana congressional delegation, the Vice President of the United States, Speaker of the House of Representatives, and officials of the Defense Plant Corporation.

Adopted at the regular session of the legislature for 1944.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BRIDGES, from the Committee on Military Affairs:

H.R. 4733. A bill to amend section 514 of the Soldiers' and Sailors' Relief Act; without amendment (Rept. No. 959).

By Mr. McKELLAR, from the Committee on Appropriations:

H.R. 4879. A bill making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes; with amendments (Rept. No. 960); and

H.R. 4937. A bill making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration, for the fiscal year ending June 30, 1945, and for other purposes; with amendments (Rept. No. 961).

By Mr. KILGORE, from the Committee on Military Affairs:

S. 1988. A bill to place glider units of the Army and Navy on the same parity as to pay allowances and privileges as now given to the air forces of the Army and Navy and paratroops; with amendments (Rept. No. 962).

By Mr. GURNEY, from the Committee on Military Affairs:

S. J. Res. 134. Joint resolution to provide for the establishment, management, and perpetuation of the Kermit Roosevelt fund; without amendment (Rept. No. 963).

By Mr. LUCAS, from the Committee to Audit and Control the Contingent Expenses of the Senate:

S. Res. 291. Resolution to investigate whether rayon and other synthetic products can be used as a substitute for cotton and wool; with an amendment.

BILLS INTRODUCED

Mr. LUCAS introduced the following bills, which were each read twice by their titles and referred, as indicated:

S. 1993. A bill for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen; to the Committee on Claims.

S. 1994. A bill to amend the National Service Life Insurance Act, as amended; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 91) felicitating the Republic of Iceland was referred to the Committee on Foreign Relations.

INVESTIGATION OF ACTIVITIES OF POLITICAL ACTION COMMITTEE OF THE C. I. O.—AMENDMENTS

Mr. KILGORE submitted sundry amendments intended to be proposed by him to the resolution (S. Res. 298) to investigate the activities of the Political Action Committee of the Congress of Industrial Organizations (submitted by Mr. BUTLER on May 31, 1944), which were referred to the Committee on Privileges and Elections and ordered to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS

Mr. McKELLAR submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4879) making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, the following amendments, namely:

Under the item for "Smaller War Plants Corporation" on page 23, line 19, after the word "Corporation", insert the following: "including the salary of the Chairman of the Board at \$10,000 per annum."

On page 30, in line 2, after the word "binding", insert: "and not to exceed \$1,000,000 for expenditure through other Federal agencies, and through State agencies without regard to section 3648 of the Revised Statutes for gathering of medical and social history information on registrants."

On page 30, line 11, strike out "\$61,500,000" and insert "\$62,500,000."

Mr. McKELLAR also submitted amendments intended to be proposed by him to House bill 4879, making appropriations for war agencies for the fiscal year ending June 30, 1945, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. McKELLAR submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4937) making appropriations for defense aid (lend-lease) for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Ad-

ministration, for the fiscal year ending June 30, 1945, and for other purposes, the following amendment, namely: Under title II, on page 7, after line 8, insert a new section as follows:

"Sec. 202. In addition to the sum appropriated by section 201 of this title, any supplies, services, or funds available for disposition or expenditure by the President under the act of March 11, 1941, as amended (22 U. S. C. 411-419), and acts supplementary thereto, may be disposed of or expended by the President to carry out the provisions of the act of March 28, 1944, without reimbursement of the appropriations from which such supplies or services were procured or such funds were provided: *Provided*, That the supplies, services, and funds disposed of or expended under the authority of this section shall not exceed a total value, as determined under regulations to be approved by the President, of \$350,000,000 and shall be charged to the amount authorized to be appropriated by said act of March 28, 1944: *Provided further*, That the authority granted by this section shall not become effective until the United States Joint Chiefs of Staff shall have issued a certification that the state of the war permits the exercise of such authority and the utilization of lend-lease supplies, services, or funds for the purposes of section 201 of this title; and after such certification such utilization shall be upon the determination of the Administrator of the Foreign Economic Administration."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to the bill (H. R. 4937) making appropriations for defense aid (lend-lease), for the participation by the United States in the work of the United Nations Relief and Rehabilitation Administration, and for the Foreign Economic Administration for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

FEDERAL AID FOR READJUSTMENT OF VETERANS IN CIVIL LIFE—ARTICLE BY SENATOR CLARK OF MISSOURI

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an article entitled "The G. I. Bill of Rights" written by Senator CLARK of Missouri, and published in the Democratic Digest of May 1944, which appears in the Appendix.]

ART OF POLITICS—EDITORIAL FROM THE WASHINGTON POST

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Art of Politics" from the Washington Post, which appears in the Appendix.]

LEGAL GUARDIAN OF EUGENE HOLCOMB

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1588) for the relief of the legal guardian of Eugene Holcomb, a minor.

Mr. ELLENDER. I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. ELLENDER, Mr. O'DANIEL, and Mr.

WHERRY conferees on the part of the Senate.

PRINTING OF MANUSCRIPT—ANALYSIS OF QUESTIONS AND ANSWERS ON THE INDIVIDUAL INCOME TAX ACT OF 1944

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 90, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring). That the manuscript prepared by Representative DANIEL A. REED, containing an analysis of questions and answers relative to the individual income-tax payment act of 1944, be printed as a House document; and that 34,000 additional copies shall be printed for the use of the House document room.

Mr. WALSH of Massachusetts. Mr. President, as acting chairman of the Joint Committee on Printing, I move that the Senate concur in the concurrent resolution.

Mr. WHITE. Mr. President, I notice the concurrent resolution provides only for the printing of a House document all the copies of which are to be at the disposal of the House. Has any suggestion been made that copies be made available to Senators?

Mr. WALSH of Massachusetts. It is my opinion that documents printed for the House document room are available to Senators as well.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution was considered and agreed to.

CLAUDE R. WHITLOCK

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1848) for the relief of Claude R. Whitlock, and for other purposes, which was, on page 2, line 13, after the word "funds", to insert a colon and the following proviso: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the House amendment.

Mr. WHITE. Will not the Senator indicate what the House amendment is?

Mr. THOMAS of Oklahoma. This is a bill to clear the record of a former Indian agent. As I understand, the House amendment proposes to take the money which has been left and apply it to the indebtedness.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to.

FEDERAL AID FOR READJUSTMENT OF VETERANS IN CIVIL LIFE—CONFERENCE REPORT

Mr. GEORGE submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this act may be cited as the ' Servicemen's Readjustment Act of 1944'."

"TITLE I

"CHAPTER I—HOSPITALIZATION, CLAIMS, AND PROCEDURES

"Sec. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: *Provided*, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.

"Sec. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of additional hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices, suboffices, branch offices, contact units, or other subordinate offices in centers of population where there is no Veterans' Administration facility, or where such a facility is not readily available or accessible: *Provided*, That there is hereby authorized to be appropriated the sum of \$500,000,000 for the construction of additional hospital facilities.

"Sec. 102. The Administrator of Veterans' Affairs and the Secretary of War and Secretary of the Navy are hereby granted authority to enter into agreements and contracts for the mutual use or exchange of use of hospital and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate properly such facilities, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator of Veterans' Affairs enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number now established or approved, plus the estimated number required to meet the load of eligibles under laws administered by the Veterans' Administration, or in any way subordinate or transfers the operation of the Veterans' Administration to any other agency of the Government.

"Nothing in the Selective Training and Service Act of 1940, as amended, or any other Act, shall be construed to prevent the transfer or detail of any commissioned, appointed or enlisted personnel from the armed forces to the Veterans' Administration subject to agreements between the Secretary of War or the Secretary of the Navy and the Administrator of Veterans' Affairs: *Provided*, That no such detail shall be made or extend beyond six months after the termination of the war.

"Sec. 103. The Administrator of Veterans' Affairs shall have authority to place officials and employees designated by him in such Army and Navy installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Army and Navy who are about to be discharged or released from active service.

"Sec. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has explained to him the right to file such claim: *Provided*, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: *And provided further*, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.

"Any person entitled to a prosthetic appliance shall be entitled, in addition, to necessary fitting and training, including institutional training, in the use of such appliance, whether in a Service or a Veterans' Administration hospital, or by out-patient treatment, including such service under contract.

"Sec. 105. No person in the armed forces shall be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have, and any such statement against his own interest signed at any time, shall be null and void and of no force and effect.

"CHAPTER II—AID BY VETERANS' ORGANIZATIONS

"Sec. 200. (a) That upon certification to the Secretary of War or Secretary of the Navy by the Administrator of Veterans' Affairs of paid full time accredited representatives of the veterans' organizations specified in section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress) and other such national organizations recognized by the Administrator of Veterans' Affairs thereunder in the presentation of claims under laws administered by the Veterans' Administration, the Secretary of War and Secretary of the Navy are hereby authorized and directed to permit the functioning, in accordance with regulations prescribed pursuant to subsection (b) of this section, of such accredited representatives in military or naval installations on shore from which persons are discharged or released from the active military or naval service: *Provided*, That nothing in this section shall operate to affect measures of military security now in effect or which may hereafter be placed in effect, nor to prejudice the right of the American Red Cross to recognition under existing statutes.

"(b) The necessary regulations shall be promulgated by the Secretary of War and the Secretary of the Navy jointly with the Administrator of Veterans' Affairs to accomplish the purpose of this section, and in the preparation of such regulations the national officer of each such veterans' organiza-

tions who is responsible for claims and rehabilitation activities shall be consulted. The commanding officer of each such military or naval installation shall cooperate fully with such authorized representatives in the providing of available space and equipment for such representatives.

"CHAPTER III.—REVIEWING AUTHORITY

"SEC. 300. The discharge or dismissal by reason of the sentence of a general court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, shall bar all rights of such person, based upon the period of service from which he is so discharged or dismissed, under any laws administered by the Veterans' Administration: *Provided*, That in the case of any such person, if it be established to the satisfaction of the Administrator that at the time of commission of the offense such person was insane, he shall not be precluded from benefits to which he is otherwise entitled under the laws administered by the Veterans' Administration: *And provided further*, That this section shall not apply to any war risk, Government (converted) or national service life-insurance policy.

"SEC. 301. The Secretary of War and the Secretary of the Navy, after conference with the Administrator of Veterans' Affairs, are authorized and directed to establish in the War and Navy Departments, respectively, boards of review composed of five members each, whose duties shall be to review, on their own motion or upon the request of a former officer or enlisted man or woman or, if deceased, by the surviving spouse, next of kin, or legal representative, the type and nature of his discharge or dismissal, except a discharge or dismissal by reason of the sentence of a general court martial. Such review shall be based upon all available records of the service department relating to the person requesting such review, and such other evidence as may be presented by such person. Witnesses shall be permitted to present testimony either in person or by affidavit and the person requesting review shall be allowed to appear before such board in person or by counsel: *Provided*, That the term "counsel" as used in this section shall be construed to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress). Such board shall have authority, except in the case of a discharge or dismissal by reason of the sentence of a general court martial, to change, correct, or modify any discharge or dismissal, and to issue a new discharge in accord with the facts presented to the board. The Articles of War and the Articles for the Government of the Navy are hereby amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the findings thereof to be final subject only to review by the Secretary of War or the Secretary of the Navy, respectively: *Provided*, That no request for review by such board of a discharge or dismissal under the provisions of this section shall be valid unless filed within fifteen years after such discharge or dismissal or within fifteen years after the effective date of this Act whichever be the later.

"SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers,

two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released to inactive service, without pay, for physical disability pursuant to the decision of a retiring board, the findings and decision of such retiring board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the retiring board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of the retiring board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

"(b) No request for review under this section shall be valid unless filed within 15 years after the date of retirement for disability or after the effective date of this act, whichever is the later.

"(c) As used in this section—

"(1) the term 'officer' means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;

"(2) the term 'counsel' shall have the same meaning as when used in section 301 of this act.

"TITLE II

"CHAPTER IV.—EDUCATION OF VETERANS

"SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, 78th Cong.), is hereby amended to read as follows:

"(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII."

"(b) Veterans Regulation Numbered 1 (a), is hereby amended by adding a new part VIII as follows:

"Part VIII

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than 2 years after either the date of his discharge or

the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond seven years after the termination of the present war: *And provided further*, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.

"2. Any such eligible person shall be entitled to education or training, or a refresher or retraining course, at an approved educational or training institution, for a period of one year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided, however*, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

"3. Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retraining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this part: *Provided*, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice training, whenever possible, the Administrator shall utilize such existing facilities and services in training on the job when such training is of 1 year's duration or more.

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar

fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: *Provided*, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year: *Provided further*, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: *And provided further*, That if any such institution has no established tuition fee, or if its established tuition fee shall be found by the Administrator to be inadequate compensation to such institution for furnishing such education or training, he is authorized to provide for the payment, with respect to any such person, of such fair and reasonable compensation as will not exceed \$500 for an ordinary school year.

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$50 per month, if without a dependent or dependents, or \$75 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprentice or other training on the job at institutions, business or other establishments, shall be entitled to receive such lesser sums, if any, as subsistence of dependency allowances, as may be determined by the Administrator: *Provided*, That any such person eligible under this part, and within the limitations thereof, may pursue such full time or part-time course or courses as he may elect, without subsistence allowance.

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: *Provided*, That, in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

"8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: *Provided*, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for trained personnel in the various crafts, trades, and professions: *Pro-*

vided, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"11. As used in this part, the term "educational or training institutions" shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public, Numbered 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training."

"SEC. 401. Section 3, Public Law Numbered 16, Seventy-eighth Congress, is hereby amended to read as follows:

"Sec. 3. The appropriation for the Veterans' Administration, "Salaries and expenses, medical and hospital, and compensation and pensions", shall be available for necessary expenses under part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a), and there is hereby authorized to be appropriated such additional amount or amounts as may be necessary to accomplish the purposes thereof. Such expenses may include, subject to regulations issued by the Administrator and in addition to medical care, treatment, hospitalization, and prosthesis, otherwise authorized, such care, treatment, and supplies as may be necessary to accomplish the purposes of part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a)."

"SEC. 402. Public Law Numbered 16, Seventy-eighth Congress, is hereby amended by adding thereto a new section 4 to read as follows:

"Sec. 4. Any books, supplies, or equipment furnished a trainee or student under part VII or part VIII of Veterans Regulation Numbered 1 (a) shall be deemed released to him: *Provided*, That if he fails, because of fault on his part to complete the course of training or education afforded thereunder, he may be required, in the discretion of the Administrator, to return any or all of such books, supplies, or equipment not actually expended or to repay the reasonable value thereof."

"SEC. 403. Paragraph 1, part VII, Veterans Regulation Numbered 1 (a) (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended by inserting after the word 'time' the words 'on or' and deleting the date 'December 6, 1941' and substituting therefor the date 'September 16, 1940'."

"TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

"CHAPTER V—GENERAL PROVISIONS FOR LOANS

"SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any such veteran may apply within two years after separation from the military or naval forces, or two years after termination of the war, whichever is the later date, but in no

event more than five years after the termination of the war, to the Administrator of Veterans' Affairs for the guaranty by the Administrator of not to exceed 50 per centum of a loan or loans for any of the purposes specified in sections 501, 502 and 503: *Provided*, That the aggregate amount guaranteed shall not exceed \$2,000. If the Administrator finds that the veteran is eligible for the benefits of this title and that the loan applied for appears practicable, the Administrator shall guarantee the payment of the part thereof as set forth in this title.

"(b) Interest for the first year on that part of the loan guaranteed by the Administrator shall be paid by the Administrator out of available appropriations. No security for the guaranty of a loan shall be required except the right to be subrogated to the lien rights of the holder of the obligation which is guaranteed: *Provided*, That pursuant to regulations to be issued by the Administrator the mortgagor and mortgagee shall agree that before beginning foreclosure proceedings for default in payment of principal or interest due, the Administrator shall have at least thirty days' notice with the option of bidding in the property on foreclosure or of refinancing the loan with any other agency or by any other means available.

"(c) Loans guaranteed by the Administrator under this title shall be payable under such terms and conditions as may be approved by the Administrator: *Provided*, That the liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: *Provided further*, That loans guaranteed by the Administrator shall bear interest at a rate not exceeding 4 per centum per annum and shall be payable in full in not more than twenty years. The Administrator is authorized and directed to guarantee loans to veterans subject to the provisions of this title on approved applications made to persons, firms, associations, and corporations and to governmental agencies and corporations, either State or Federal.

"Purchase or construction of homes

"SEC. 501. (a) Any application made by a veteran under this title for the guaranty of a loan to be used in purchasing residential property or in constructing a dwelling on unimproved property owned by him to be occupied as his home may be approved by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loans will be used for payment for such property to be purchased or constructed by the veteran;

"(2) that the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

"(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost, including the value of the unimproved lot, does not exceed the reasonable normal value thereof as determined by proper appraisal.

"(b) Any application for the guaranty of a loan under this section for the purpose of making repairs, alterations, or improvements in, or paying delinquent indebtedness, taxes, or special assessments on, residential property owned by the veteran and used by him as his home, may be approved by the Administrator if he finds that the proceeds of such loan will be used for such purpose or purposes.

"(c) No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan guaranteed under this title, or by reason of any secondary lien upon the property involved securing such loan.

"Purchase of farms and farm equipment"

"Sec. 502. Any application made under this title for the guaranty of a loan to be used in purchasing any land, buildings, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations conducted by the applicant, may be approved by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loan will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him;

"(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

"(3) that the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

"(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal.

"Purchase of business property"

"Sec. 503. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved by the Administrator of Veterans' Affairs if he finds—

"(1) that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;

"(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

"(3) that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and

"(4) that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal.

"Sec. 504. The Administrator of Veterans' Affairs is authorized to promulgate such rules and regulations as are deemed necessary and appropriate for carrying out the provisions of this title, and may delegate to a subordinate employee authority to approve loans subject to the provisions of this title and the rules promulgated thereunder.

"Sec. 505. (a) The Administrator shall designate such agency or agencies, if any, as he finds equipped to determine whether the guaranty of loan should be approved under this title. In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, including the limitation of \$2,000 on the total amount which may be guaranteed, may guarantee the full amount of the second loan: *Provided*, That such second loan shall not exceed 20 percentum of the purchase price or cost and that the rate of interest thereon shall not exceed that on the principal loan by more than 1 percentum: *And provided further*, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the prin-

cipal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

"(b) Any person who is found by the Administrator of Veterans' Affairs to be a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

"TITLE IV

"CHAPTER VI—EMPLOYMENT OF VETERANS

"Sec. 600. (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans, and that, to this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For the purpose there is hereby created to cooperate with and assist the United States Employment Service, as established by the provisions of the Act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as Chairman, the Director of the National Selective Service System, and the Administrator of the Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

"(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, Seventy-sixth Congress, approved September 16, 1940, as amended (U. S. C., title 50, sec. 308)). The Chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service.

"(c) The public records of the Veterans' Personnel Division, National Selective Service System, and the Veterans' Employment Service of the United States Employment Service shall be available to the Board.

"Sec. 601. The United States Employment Service shall assign to each of the States a veterans' employment representative, who shall be a veteran of the wars of the United States separated from active service under honorable conditions, who at the time of appointment shall have been a bona fide resident of the State for at least two years, and who shall be appointed, subject to the approval of the Board, in accordance with the civil-service laws, and whose compensation shall be fixed in accordance with the Classification Act of 1923, as amended. Each such veterans' employment representative shall be attached to the staff of the public employment service in the State to which he has been assigned. He shall be administratively responsible to the Board, through its executive secretary, for the execution of the Board's veterans' placement policies through the public employment service in the State. In cooperation with the public employment service staff in the State, he shall—

"(a) be functionally responsible for the supervision of the registration of veterans in local employment offices for suitable types of

employment and for placement of veterans in employment;

"(b) assist in securing and maintaining current information as to the various types of available employment in public works and private industry or business;

"(c) promote the interest of employers in employing veterans;

"(d) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and

"(e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

"Sec. 602. Where deemed necessary by the Board, there shall be assigned by the administrative head of the employment service in the State one or more employees, preferably veterans, of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.

"Sec. 603. All Federal agencies shall furnish the Board such records, statistics, or information as may be deemed necessary or appropriate in administering the provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.

"Sec. 604. The Federal agency administering the United States Employment Service shall maintain that service as an operating entity and, during the period of its administration, shall effectuate the provisions of this title.

"Sec. 605. (a) The Board through its executive secretary shall estimate the funds necessary for the proper and efficient administration of this title; such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget of the United States Employment Service. Any funds appropriated pursuant to this special item as contained in the budget of the United States Employment Service shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Board.

"(b) The War Manpower Commission shall from its current appropriation allocate and make available sufficient funds to carry out the provisions of this title during the current fiscal year.

"Sec. 606. The term "United States Employment Service" as used in this title means that Bureau created by the provisions of the Act of June 6, 1933, or such successor agencies as from time to time shall perform its functions and duties, as now performed by the War Manpower Commission.

"Sec. 607. The term "veteran" as used in this title shall mean a person who served in the active service of the armed forces during a period of war in which the United States has been, or is, engaged, and who has been discharged or released therefrom under conditions other than dishonorable.

"TITLE V

"CHAPTER VII—READJUSTMENT ALLOWANCES FOR FORMER MEMBERS OF THE ARMED FORCES WHO ARE UNEMPLOYED

"Sec. 700. (a) Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the

Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment, not to exceed a total of fifty-two weeks, which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than two years after discharge or release or the termination of the war, whichever is the later date: *Provided*, That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: *Provided further*, That no readjustment allowance shall be payable for any week commencing more than five years after the termination of hostilities in the present war.

"(b) Such person shall be deemed eligible to receive an allowance for any week of unemployment if claim is made for such allowance and the Administrator finds with respect to such week that—

"(1) the person is residing in the United States at the time of such claim;

"(2) the person is completely unemployed, having performed no service and received no wages, or is partially unemployed in that services have been performed for less than a full workweek and the wages for the week are less than the allowance under this title plus \$3;

"(3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;

"(4) the person is able to work and available for suitable work: *Provided*, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

"CHAPTER VIII—DISQUALIFICATIONS

"Sec. 800. (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

"(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

"(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or

"(3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

"(b) Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed: *Provided*, That this subsection shall not apply if it is shown that—

"(1) he is not participating in or directly interested in the labor dispute which causes the stoppage of work; and

"(2) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or directly interested in the dispute: *Provided, however*, That if in any case separate branches of work, which are commonly conducted as separate business in separate premises, are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

"(c) (1) If a claimant is disqualified under the provisions of subsection (a) of this section, he shall be disqualified to receive any readjustment allowance for the week in

which the cause of his disqualification occurred and for not more than four immediately following weeks.

"(2) In addition to the disqualification prescribed in paragraph (1) above, the Administrator may, in cases of successive disqualifications under the provisions of subsection (a) of this section, extend the period of disqualification for such additional period as the Administrator may prescribe, but not to exceed eight additional weeks in the case of any one disqualification.

"(d) (1) In determining under subsection (a) of this section the suitability of work or the existence of good cause with respect to a claimant, the conditions and standards prescribed by the unemployment compensation laws of the State in which he files his claim shall govern: *Provided*, That the Administrator may prescribe conditions and standards for applicants in any State having no applicable statute.

"(2) In determining under subsection (a) of this section the suitability of work, no work shall be deemed suitable for an individual if—

"(A) the position offered is vacant due directly to a strike, lock-out, or other labor dispute; or

"(B) the wages, hours, or other conditions of the work offered are substantially less favorable to him than those prevailing for similar work in the locality.

"CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

"Sec. 900. (a) The allowance for a week shall be \$20 less that part of the wages payable to him for such week which is in excess of \$3: *Provided*, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1.

"(b) The number of weeks of allowances to which each eligible veteran shall be entitled shall be determined as follows: For each calendar month or major fraction thereof of active service during the period stated in section 700 the veteran shall be entitled to four weeks of allowances, but in no event to exceed the maximum provided in section 700: *Provided*, That the allowance for the qualifying ninety days service shall be eight weeks for each such month.

"Sec. 901. (a) Readjustment allowances shall be paid at the intervals prescribed by the unemployment compensation law of the State in which the claim was made: *Provided*, That if none are so prescribed readjustment allowances shall be paid at such reasonable intervals as may be determined by the Administrator.

"(b) Any allowances remaining unpaid upon the death of a claimant shall not be considered a part of the assets of the estate of the claimant, or liable for the payment of his debts, or subject to any administration of his estate, and the Administrator may make payment thereof to such person or persons he finds most equitably entitled thereto.

"Sec. 902. (a) Any person qualified under subsection (a) of section 700, and residing in the United States who is self-employed for profit in an independent establishment, trade, business, profession, or other vocation shall be eligible for readjustment allowances under this title within the time periods applicable, and not in excess of the total amount provided in this title.

"(b) Upon application by the veteran showing, in accordance with rules prescribed by the Administrator, that he has been fully engaged in such self-employment and that his net earnings in a trade, business, profession, or vocation, have been less than \$100 in the previous calendar month, the veteran shall be entitled to receive, subject to the limitations of this title as to time and amount, the difference (adjusted to the next highest multiple of \$1), between \$100 and his net earnings for such month.

"(c) Payment of such allowance shall be made by the Administrator to each eligible veteran at the time and in the manner other payments are made directly to veterans by the Administrator.

"(d) Subsection (b) of section 700 and section 800 shall not apply in determining the eligibility for allowances of a claimant under this section.

"CHAPTER X—ADJUSTMENT OF DUPLICATE BENEFITS

"Sec. 1000. Where an allowance is payable to a claimant under this title and where, for the same period, either an allowance or benefit is received under any Federal or State unemployment or disability compensation law, the amount received or accrued from such other source shall be subtracted from the allowance payable under this title (except that this section shall not apply to pension, compensation, or retired pay paid by the Veterans' Administration); and the resulting allowances, if not a multiple of \$1, shall be readjusted to the next higher multiple of \$1.

"CHAPTER XI—ADMINISTRATION

"Sec. 1100. (a) The Administrator of Veterans' Affairs is authorized to administer this title and shall, insofar as possible, utilize existing facilities and services of Federal and State departments or agencies on the basis of mutual agreements with such departments or agencies. Such agreements shall provide for the filing of claims for readjustment allowances with the Administrator through established public employment offices and State unemployment-compensation agencies. Such agencies, through agreement, shall also be utilized in the processing, adjustment, and determination of such claims and the payment of such allowances. To facilitate the carrying out of agreements with State departments or agencies and to assist in the discharge of the Administrator's duties under this title, a representative of the Administrator, who shall be a war veteran separated from active service under honorable conditions and who at the time of appointment shall have been a bona fide resident of the State for at least two years, shall be located in each participating State department or agency.

"(b) The Administrator, consistent with the provisions of this title, shall prescribe such rules and regulations and require such records and reports as he may find necessary to carry out its purposes: *Provided, however*, That cooperative rules and regulations relating to the performance by Federal or State departments, or agencies, of functions under agreements made therewith may be made by the Administrator after consultation and advisement with representatives of such departments or agencies.

"(c) The Administrator may delegate to any officer or employee of his own or of any cooperating department or agency of any State such of his powers and duties, except that of prescribing rules and regulations, as the Administrator may consider necessary and proper to carry out the purposes of this title.

"(d) Allowances paid by the cooperating State agencies shall be repaid upon certification by the Administrator. The Secretary of the Treasury, through the Division of Disbursement of the Treasury, and without the necessity of audit and settlement by the General Accounting Office, shall pay monthly to the departments, agencies, or individuals designated, the amounts so certified.

"(e) The Administrator shall from time to time certify to the Secretary of the Treasury for payment in advance or otherwise such sums as he estimates to be necessary to compensate any Federal department or agency for its administrative expenses under this title. Such sums shall cover periods of no longer than six months.

"(f) The Administrator shall also from time to time certify to the Social Security Board such State departments or agencies as may be participating in the administration of this title, and the amount of the administrative expense incurred or to be incurred by a State under agreements made pursuant to this section. Upon such certification the Social Security Board shall certify such amount to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriation for the Veterans' Administration.

"(g) Any money paid to any cooperating agency or person, which is not used for the purpose for which it was paid shall, upon termination of the period covered by such payment or the agreement with such agency or person, be returned to the Treasury and credited to the current appropriation for carrying out the purpose of this title, or, if returned after the expiration of period covered by this title, shall be covered into the Treasury as miscellaneous receipts.

"Sec. 1101. (a) No person designated by the Administrator as a certifying officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

"(b) No disbursing officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated by the Administrator.

"Sec. 1102. Any claimant whose claim for an allowance has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency as may be designated by the Administrator. The representative of the Administrator located in each State shall be the final appellate authority in regard to contested claims arising in such State, subject to review by the Administrator.

"Sec. 1103. In the case of any veteran eligible under the provisions of this title who either at the time of application for the benefits herein provided is a "qualified employee" as defined in section 3 of the Railroad Unemployment Insurance Act, as amended, or was last employed prior to such application by an employer as defined in section 1 (a) of the said Act, claim may be made through an office operated by or a facility designated as a free employment office by the Railroad Retirement Board pursuant to the provisions of said Act. In such cases, the conditions and standards as to suitability of work or existence of good cause, the intervals for making claim for and payment of benefits, and the administrative and appellate procedures prescribed by or under said Act shall govern, if not in conflict with the provisions of this title, the appellate procedures being subject to final appeal to the Administrator. In such cases, a reference in this title to a cooperating State agency shall be deemed to include the Railroad Retirement Board.

"CHAPTER XII—DECISIONS AND PROCEDURES

"Sec. 1200. The authority to issue subpoenas and provisions for invoking aid of the courts of the United States in case of disobedience thereto, to make investigations, and to administer oaths, as contained in title III of the Act of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38, secs. 131-133), shall be applicable in the administration of this title.

"CHAPTER XIII—PENALTIES

"Sec. 1300. Any claimant who knowingly accepts an allowance to which he is not en-

titled shall be ineligible to receive any further allowance under this title.

"Sec. 1301. (a) Whoever, for the purpose of causing an increase in any allowance authorized under this title, or for the purpose of causing any allowance to be paid where none is authorized under this title, shall make or cause to be made any false statement or representation as to any wages paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any allowance under this title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

"(b) Whoever shall obtain or receive any money, check, or allowance under this title, without being entitled thereto and with intent to defraud the United States, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

"CHAPTER XIV—DEFINITIONS

"Sec. 1400. As used in this title—

"(a) The term 'week' means such period or periods of seven consecutive calendar days as may be prescribed in regulations by the Administrator.

"(b) The term 'wages' means all remuneration for services from whatever sources, including commissions and bonuses and the cash value of all remuneration in any medium other than cash.

"TITLE VI

"CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

"Sec. 1500. Except as otherwise provided in this Act, the administrative, definitive, and penal provisions under Public, Numbered 2, Seventy-third Congress, as amended, and the provisions of Public, Numbered 262, Seventy-fourth Congress, as amended (38 U. S. C. 450, 451, 454a and 556a), shall be for application under this Act. For the purpose of carrying out any of the provisions of Public, Numbered 2, as amended, and this Act, the Administrator shall have authority to accept uncompensated services, and to enter into contracts or agreements with private or public agencies, or persons, for necessary services, including personal services, as he may deem practicable.

"Sec. 1501. Except as otherwise specified, the appropriations for the Veterans' Administration are hereby made available for expenditures necessary to carry out the provisions of this Act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this Act.

"Sec. 1502. Wherever used in this Act, unless the context otherwise requires, the singular includes the plural; the masculine includes the feminine; the term 'Administrator' means the Administrator of Veterans' Affairs; the term 'United States' used geographically means the several States, Territories and possessions, and the District of Columbia; the term 'State' means the several States, Territories and possessions, and the District of Columbia; and the phrases 'termination of hostilities in the present war', 'termination of the present war', and 'termination of the war', mean termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

"Sec. 1503. A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to veterans' benefits provided by this Act or Public Law Numbered 2, Seventy-third Congress, as amended.

"Sec. 1504. The Administrator shall transmit to the Congress annually a report of operations under this Act. If the Senate

or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be.

"Sec. 1505. In the event there shall hereafter be authorized any allowance in the nature of adjusted compensation, any benefits received by, or paid for, any veteran under this Act shall be charged against and deducted from such adjusted compensation; and in the event a veteran has obtained a loan under the terms of this Act, the agency disbursing such adjusted compensation shall first pay the unpaid balance and accrued interest due on such loan to the holder of the evidence of such indebtedness to the extent that the amount of adjusted compensation which may be payable will permit."

And the House agree to the same.

BENNETT CHAMP CLARK,
WALTER F. GEORGE,
DAVID I. WALSH,
SCOTT W. LUCAS,
ROBERT M. LA FOLLETTE, JR.
JOHN A. DANAEHER,
E. D. MILLIKIN,

Managers on the part of the Senate.

J. E. RANKIN,
J. HARDIN PETERSON,
A. LEONARD ALLEN,
JOHN S. GIBSON,
EDITH NOURSE ROGERS,
PAUL CUNNINGHAM,
B. W. KEARNEY,

Managers on the part of the House.

Mr. GEORGE. I ask unanimous consent for the present consideration of the conference report.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. GEORGE. Mr. President, I should like to make a brief statement with regard to the conference report. The report would, of course, have been submitted by the distinguished senior Senator from Missouri [Mr. CLARK]; but he found it necessary to return to his State Saturday evening and asked me, as chairman of the Finance Committee and, also, as a member of the conference committee, to submit the report.

I believe the Senate is fairly familiar with the terms of the bill as finally agreed upon in conference. I think I should say, in justice to the Senate conferees—and I believe this expresses the sentiment of all the conferees on the part of the Senate—that the last section in the bill as agreed upon was most reluctantly accepted by the Senate conferees; but in order to reach an agreement we accepted the last section in the bill, which provides in general terms for the credit of benefits received under the bill by the veteran against any adjusted compensation that may be hereafter paid to him. I think I am well within the facts in stating that this particular provision was regarded as unwise by the Senate members of the conference.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MEAD. I am very much interested in the bill, and favor the bill as it was reported and as it passed the Senate. I should like to ask my distinguished colleague if the senior Senator

from Missouri [Mr. CLARK], who had charge of the bill when it was on the floor, supported the changes which were recommended and approved in the conference.

Mr. GEORGE. He did. It was a unanimous agreement on the part of all conferees of both House and Senate. I emphasize the statement already made by specifically referring to the attitude of the Senator from Missouri so far as the last provision in the bill is concerned. We regarded it as an unwise and unnecessary provision in the bill; but it was finally accepted in order to compose the differences between the Senate and House conferees.

Mr. MEAD. I desire to commend the conferees.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. PEPPER. I should like to make an inquiry about the education provisions of the bill. Does the Senator recall what are the conditions for receiving educational benefits?

Mr. GEORGE. Generally any veteran whose education was interrupted or interfered with, or discontinued because of his entry into the military service of the country, is entitled to the educational benefits provided in the bill. It is assumed, and so written in the bill, that any veteran who had not reached the age of 25 did have an interruption or discontinuance of his educational course.

Mr. PEPPER. Does the Senator recall whether there is any required period of service?

Mr. GEORGE. Yes. The duration of the benefit is dependent upon the period of service. There is a provision with respect to a 90-day period of service. The veteran is entitled to receive educational benefits for 1 year for a 90-day period of service; and thereafter the benefits may be continued, depending upon his period of actual service—broadly speaking, in the discretion of the Administrator.

Mr. PEPPER. I merely wish to submit the observation that I think it is exceedingly unfortunate that there has been preserved in this legislation the requirement that the veteran must have had a particular period of service. I believe it will be discovered that it will be necessary to induce the boys who have served their country in the armed forces to go back to school, and that it would be most salutary in the public interest if the educational benefits were thrown open to all those who have had active service and have received honorable discharges.

Mr. GEORGE. Of course, we found it necessary to make some compromises in order to reach any agreement on the bill. The conferees were in constant session for a number of days, then recessed over a period of 10 days, and finally reached an agreement.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McFARLAND. Does the Senator intend to make a general explanation of the report?

Mr. GEORGE. I do not think so, I will say to the Senator from Arizona, because I believe most Senators are rea-

sonably familiar with the general terms of the measure.

Mr. McFARLAND. Of course, we do not have before us a copy of the report. As I understand, the period of service required as a prerequisite for the first year's training is 90 days. Is that correct?

Mr. GEORGE. Ninety days' service entitles the veteran to continue his education for a full period of 12 months. Thereafter he may continue for 1, 2, or even 3 years, depending upon his term of service, and also the broad discretion of the Administrator, who has certain power to judge whether the veteran is diligently prosecuting his studies, and so forth.

Mr. McFARLAND. The limitations with respect to length of time in the service were contained in the Senate bill as it passed the Senate.

Mr. GEORGE. Yes; substantially those provisions were in the Senate bill.

Mr. McFARLAND. Of course, the first bill did not contain such provisions. All those matters were worked out and had to be compromised, because so many Members of Congress had different ideas regarding the time.

Now I wish to refer to the loan provisions.

Mr. GEORGE. They are covered in title III of the conference report.

Mr. McFARLAND. I have the committee print before me. I understand that the loan provisions contained in the conference report follow fairly closely the provisions adopted by the Senate, except they include provision for a guarantee by the Government, instead of a direct governmental loan.

Mr. GEORGE. That is true. Broadly speaking, the Administrator will guarantee the loan, rather than make a direct loan to the veteran.

Mr. McFARLAND. The amount guaranteed is limited to \$2,000, I understand.

Mr. GEORGE. The House had provided for a loan of \$2,500. The Senate, as will be recalled, had provided for a loan of \$1,000 for the various purposes set forth in the bill.

In the conference we agreed upon a loan of \$2,000. But in lieu of a direct loan by the Government, we provided that the Administrator will guarantee 20 percent of the loan, but not exceeding \$2,000, and up to 50 percent of the loan.

Mr. McFARLAND. In other words, under that provision the guarantee might be on a loan which would be for \$8,000?

Mr. GEORGE. It might be.

Mr. McFARLAND. But the amount guaranteed may not exceed \$2,000; is that correct?

Mr. GEORGE. It may not exceed \$2,000, and may not exceed 50 percent of the loan. So that if the loan were for \$4,000, the amount guaranteed could not exceed 50 percent, or \$2,000.

Mr. McFARLAND. In other words, the Government would be able to guarantee only \$1,500 of a \$3,000 loan; is that correct?

Mr. GEORGE. That is correct. And the loan to be guaranteed must bear interest at not exceeding 4 percent per annum. However, for the first year the

interest on the loan is to be paid by the Administrator, not by the veteran.

Mr. McFARLAND. If I may make a comment at this point, I should like to state to the Senator that I am sorry the rate of interest provided for is 4 percent. In working on the Senate bill we tried to obtain for the veteran the benefit of as low a rate of interest as possible.

But I desire to compliment the conference committee for decreasing the rate of interest from the 6-percent rate which was originally provided for in the House bill. I know the Senate conferees worked hard on that provision.

Mr. GEORGE. The Senator is correct. The House had provided for the making of a loan at the rate of 6 percent. We finally agreed with the House committee of conference on a loan at a rate of interest not exceeding 4 percent. But when we changed the character of the loan, namely, from a direct loan to a government guaranty, it was thought—and many representations to this effect were made to the conference—that in many areas of the country local institutions would not make the loans, even with the Government guaranty, at a rate of interest below 4 percent. Of course, we desired to make it possible for the veteran to receive accommodations at his own local institution, so to speak, as far as possible.

Mr. McFARLAND. Under section 505 (a) it is provided that after a loan is made or guaranteed by a Federal agency the Government may guarantee a second loan in an amount not to exceed 20 percent of the original loan. Under that provision, as I understand it, if a man wished to buy a \$6,000 home, but did not have the necessary down payment, the Federal Housing Administration would make a loan on the property, and then the Federal Government would make a guaranty of a second loan for the down payment.

Mr. GEORGE. That is correct.

Mr. McFARLAND. The only disappointing feature in that respect, to me, is that provision is made for an increase of 1 percent in the rate of interest. It seems to me that on an amount guaranteed by the Government the rate of interest of the additional or second loan should be less than the rate of interest of the original loan, because in such a case there is no chance for a loss to the Government. However, there, again, I know the conferees did their best to keep down the rate of interest.

Mr. GEORGE. I may state in that connection that the conference was persuaded that the added 1 percent really represented the extra service required for servicing the second loan. However, we tried to hold down the rate of interest. If provision for a direct loan, as the Senate version of the bill provided, had been agreed to in conference, of course the rate of interest on such a loan would have been very much less than the 4-percent rate which is provided for in the conference report.

Mr. McFARLAND. Mr. President, I do not wish to make a speech in regard to the bill; I know that other important matters are waiting to be acted upon. Therefore, if I may make a comment in

the Senator's time, I should like to say that when we had these provisions under consideration before the Senator's committee, it was represented to me that there were areas in which loans were not being made or had not been made under the Federal Housing Agency, under the guaranteed system, and that such was particularly true in regard to the small rural areas and the small villages. It was our hope that the loan provision agreed upon would be for the benefit of the veteran, no matter where he might be located, whether in a town of 500 population or a city of 500,000 population. I am hopeful that this provision will work out in such a way that persons living in the rural communities may receive the same advantages as those received by persons living in the cities or in other places where such matters are under the F. H. A.

Mr. GEORGE. Mr. President, I should like to say to the Senator with respect to that particular point that under the conference report the Administrator will take care of a loan in any area or locality. He will have it within his power to make the loan available to the veteran, notwithstanding the fact that the F. H. A. or some other Federal agency may not actually be making loans in that area.

Mr. McFARLAND. I wish to make a further expression of the hope that the Administrator will at an early date—and I am sure he will do so—make a careful survey of the possibilities of making loans under this provision of the bill. If he finds that the bill is not so far reaching as it was hoped it would be, and not so far reaching as we originally intended, I hope he will inform the Congress of that fact, in order that we may adopt an amendment which will take care of such a condition.

I should also like to say that inasmuch as there are provisions in regard to the educational features of the bill which might be construed as being a little narrower than the provisions originally adopted by the Senate, it is my hope that in administering the educational provisions of the bill the Administrator will be as liberal as possible.

In that connection let me say a word about a man before the war who was working on a farm, where he did not need very much education. But now his occupation has been interrupted. He is in our armed forces. After the war is over he cannot return to the farm and take up life where he left off. In his work in the armed forces he may have been trained in airplane mechanics, but may need further education in that line, in order to finish his course or complete his training. I take it that under a liberal construction of the educational provisions of the conference report, such a man will be able to receive such additional training even though he is over 25 years of age. Is that correct?

Mr. GEORGE. Yes; the Senator's understanding is correct; at least, that was the understanding of the conferees.

Mr. McFARLAND. I take it that in interpreting the educational features of the bill the Administrator will be liberal, for it seems to me that a man who is 35 years of age and has fought for his coun-

try, and whose peacetime occupation has been disrupted, even though he had not intended to go back to school, should receive the same advantages as those received by a young man 24 years of age.

Mr. GEORGE. Such a man is covered by this bill.

Mr. McFARLAND. I wish to thank the Senator very kindly, and I wish also to compliment the conference committee on the work which it has done. I am highly appreciative of its efforts.

Mr. GEORGE. Mr. President, I do not know whether any other members of the conference committee have anything to say with respect to the bill.

Mr. LA FOLLETTE. Mr. President, I wish merely to make a very brief statement.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. LA FOLLETTE. The comprehensive character of the bills which passed the two Houses of Congress presented a very difficult situation when an effort was made to compromise and iron out the differences between the two measures.

In the course of the compromise many features of the Senate bill were sacrificed. I regret that it was necessary to compromise, especially with respect to some of the items in connection with both the loan features and the educational titles; but I wish to say on behalf of the Senate conferees that we made the best fight we could make under the circumstances, and still obtain a bill.

One other item which I desire to mention is the so-called section 1505 of the House bill. I should not have been willing to sign a conference report with that provision in it had it not been for the situation which I have mentioned, and the necessity of reaching a compromise on those very comprehensive features of both bills. The fact remains, however, that we shall have to have some experience under this legislation, and I feel sure that future Congresses will approach the problem in the same generous spirit which motivated most of those who were interested in this legislation. If it should appear that in endeavoring to compromise the differences between the two Houses we made any legislative mistakes in respect to any of the titles, I have every confidence that future Congresses will be prompt in correcting the mistakes.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. DANAHER. Is it not true that the important thing was to obtain a bill?

Mr. LA FOLLETTE. That is correct; and, as I have already said, if it had not been for the necessity of compromising, there were many features of the Senate bill which I felt should not be compromised. But in the firm belief that future Congresses would promptly remedy any errors which may have been committed in compromising those matters, I was led to believe that the vital necessity of obtaining a bill in regard to this broad general legislative effort was such a predominant matter of public interest that we should make the necessary compromises in reaching an agreement.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McFARLAND. There is one question which I wish to propound either to the Senator from Wisconsin [Mr. LA FOLLETTE] or to the Senator from Georgia [Mr. GEORGE].

In connection with the loan provisions contained in the Senate bill it was our intent that the agencies already in existence were to be used to as great an extent as possible; not that any one lacked confidence in the Veterans' Administration, but we wanted those agencies to be used.

Mr. LA FOLLETTE. That is clearly the intent of the conference report, and I may say to the Senator from Arizona that in an effort to make certain that existing agencies of the Government would participate in the program, consultation was had with several of them in order to make sure that the provisions of the bill with regard to the loan title were drawn in such a way that the existing agencies could operate under them. I feel sure that it is clearly the belief of all the Senate conferees—and I think I may include the House conferees—as well as of General Hines and Mr. Odom, that it is not only the intent of the law but the intent of the present Veterans' Administration to utilize such existing agencies wherever practical.

Mr. McFARLAND. Is the Senator in a position to give us the changes which have been made in that regard from the committee print? I understand that some changes were made.

Mr. LA FOLLETTE. The changes were minor in character. We put in the word "insured" at one point after the word "guaranteed."

Mr. McFARLAND. I understand that.

Mr. LA FOLLETTE. We also made one other change. We clarified the loan limitation so as to make sure that as payments were made the obligation of the insuring or guaranteeing agency of the Government would be reduced pro rata. So far as the substantive character of the provision is concerned, it remains substantially as the Senate left it in the so-called conference committee print.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MEAD. Is the Senate acting first in this matter?

Mr. LA FOLLETTE. We are acting first by agreement with the House conferees.

Mr. MEAD. Under the parliamentary situation a rejection of the conference report would probably result in an unsatisfactory bill, would it not?

Mr. LA FOLLETTE. Mr. President, I should say that a rejection of the conference report would result in there being no bill at this session of Congress. I also assert that, so far as I am concerned personally, if the report is rejected I hope that some other conferee than myself will be appointed on the part of the Senate.

Mr. MEAD. The important thing is to get a bill.

Mr. LA FOLLETTE. In most respects I believe that we have a workable bill, but as I stated before the Senator from New York rose, if we have made mistakes in seeking to compromise and obtain a bill, I am sure that future Congresses will be prompt in remedying the mistakes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

APPROPRIATIONS FOR THE STATE, JUSTICE, AND COMMERCE DEPARTMENTS— CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the Bill (H. R. 4204) "making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1945, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: in lieu of the sum proposed insert "\$3,915,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$150,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 10.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
TOM CONNALLY,
WALLACE H. WHITE, Jr.,
CLYDE M. REED,

Managers on the part of the Senate.

LOUIS C. RABAUT,
JOHN H. KERRE,
BUTLER B. HARE,
THOMAS J. O'BRIEN,
ALBERT E. CARTER,
KARL STEFAN,

Managers on the part of the House.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. McKELLAR. Mr. President, there is only one amendment in controversy. It is amendment numbered 10, relating to the next quinquennial census of agriculture authorized by law, under the Department of Commerce. In regard to that matter, I ask the Senator from Georgia [Mr. RUSSELL] to make an explanation to the Senate.

Mr. RUSSELL. Mr. President, the amendment to which the Senator from Tennessee has made reference was unanimously approved by the Senate when the bill was pending. I do not recall any opposition having been voiced against it.

Under the law as enacted by the Congress, an agricultural census shall be

taken every 5 years between the regular census which is taken every 10 years. There probably has never been a time when it was more important to take an agricultural census than now. We hear a great deal said about the number of farm workers available, the number that have been taken by the Army, as well as the number who have gone into the war industries. But no one knows the number of persons actually employed on the farms. There never was a time when it was more important than now to know the number of livestock in this country, the number of beef cattle, and the number of hogs.

The House rejected this amendment apparently on the theory that the O. P. A. and some of the other emergency agencies had been preparing figures and estimates and had the information to which I have referred. The action of the House leaves the farmer to the tender mercies of the O. P. A. so far as data on agriculture are concerned. Some of the Members of the House apparently were not clear as to what is involved in this amendment when it was voted on there, and I believe that if we would approve this amendment by a record vote, it would perhaps result in enabling us to get the exceedingly important figures such a census would afford. Senators have demands for these statistics every day. In presenting matters to O. P. A. and to the other emergency agencies we are compelled to rely upon their figures, and certainly when Congress has directed that this census be taken every 5 years, this year above all, in view of the many difficulties and obstacles in the way of the farmers obtaining a square deal in our present economic set-up, we should have authentic figures, which can only be secured by a census. I hope, Mr. President, that we will have a record vote, and I ask for the yeas and nays on the amendment.

The ACTING PRESIDENT pro tempore. The yeas and nays are demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered.

Mr. McKELLAR. Mr. President, I wish to add a word to what the Senator from Georgia [Mr. RUSSELL] has said. The House last week, on June 6, voted 139 for the amendment and 175 against it. Under those circumstances I hope that the record vote in the Senate will be strong and sufficient. I think the census ought to be taken by all means. The law provides for it, and it seems to me that the amendment should be voted for strongly, and I hope it will be.

Mr. LA FOLLETTE. Mr. President, I merely wish to say a word in support of the statements made by the able Senators from Georgia and Tennessee on this item. It seems to me that in the situation in which the country finds itself in this war emergency we never had greater need than we now have for accurate statistical information concerning the great industry of agriculture in the United States. I am convinced that neither the Congress nor the executive branch of the Government can work out sound intelligent policies for agriculture, both in war and in the post-war period, unless we have the authentic information which comes as the result of the agricultural census.

So I hope, Mr. President, the vote will be practically unanimous in support of the position which the Senate previously took on this important matter.

Mr. DANAHER. Mr. President, in the course of the administration of the Selective Service System it certainly is imperative that the Selective Service officials know how many males there are. In the administration of the so-called Tydings amendment it certainly is important that they know absolutely what the total male farm population is between 18 and 45, for registration, induction, and deferment purposes. Are we to assume the Selective Service Administration has been proceeding without accurate information as to the numbers of eligible males who otherwise would have been answerable to the draft? Did the conferees have information to such effect?

Mr. RUSSELL. No; I did not make such a statement.

Mr. DANAHER. I did not say the Senator did. I asked if he had any such information.

Mr. RUSSELL. The only figures the Selective Service has relating to farm labor are those which are submitted by the registrants. There have been a great many farm boys inducted into the service who never claimed their agricultural deferment at all. For that reason the Selective Service could not possibly furnish us with any accurate list of the number taken off the farm. They know the number of agricultural workers applying for deferment; they know the number of agricultural workers they have deferred as being essential agricultural workers under the terms of the Tydings amendment; but the Selective Service has no figures that would cast any light upon the number of agricultural workers who are actually engaged on the farm at the present time. They deal only with a certain category who have been exempted and those who claim exemption because of being engaged in agricultural pursuits.

Mr. DANAHER. Clearly there is a continuous registration process of all males eligible for the draft. I would think that if we asked the Selective Service system to tell us how many males there are within the draft ages in any county in the United States, in a couple of hours we could get that information.

Mr. RUSSELL. I think we could get the information as to those within the draft ages; there would be no difficulty about that.

Mr. DANAHER. What is the Senator's thought with reference to the census? Those of us who were not on the conference committee would like information on the question which has precipitated the issue on which a vote is now sought.

Mr. RUSSELL. As I have said, the law the Congress enacted makes it mandatory on the Census Bureau to take an agricultural census every 5 years when there is no general census. The general census was taken in 1940. In 1935, pursuant to the law enacted by the Congress, an agricultural census was had. The House action would defeat the purpose of the statute by rejecting the appropriation that must be made if a census is to be taken.

Mr. DANAHER. Who would take the census—the regular Census Bureau?

Mr. RUSSELL. The Census Bureau in the Department of Commerce, the same organization that has always taken it.

Mr. DANAHER. Is it understood that they will take it in 1945?

Mr. RUSSELL. Of course, it is understood, unless the Congress repeals the act which requires them to take it in 1945. I should think they would take it. Unless the law is repealed, the Census Bureau will take an agricultural census in 1945, as the law requires that such a census be taken in that year.

Mr. DANAHER. Let me ask another question. Have we had a satisfactory result from the labors of the Census Bureau in the case of the agricultural census which was taken in 1940?

Mr. RUSSELL. Yes; that census has been very helpful in dealing with a great many problems pertaining to agriculture. There is no other way of which I know that can give any clear picture of agriculture. There is no other way by which we can know the number of hogs or the number of cows or the number of dairy cattle and beef cattle and all the other things that go to make up an agricultural census. Unless the census be taken by the Bureau, we will have no authoritative figures for use in dealing with the problems that are so important to the farmer and in our efforts to give him some sort of justice in our economic picture.

Mr. DANAHER. Would the taking of the census require additional personnel to be added to the Census Bureau?

Mr. RUSSELL. Oh, yes; that is the purpose of the appropriation, to get the temporary employees, just as the enumerators were provided for the population census in 1940. The appropriation is to provide enumerators for the farm census in 1945.

Mr. DANAHER. How many additional employees would be required?

Mr. RUSSELL. I am sorry I do not have those figures. There are already a considerable number of employees engaged in the Census Bureau.

Mr. DANAHER. Approximately how many would there be?

Mr. RUSSELL. I should not like to hazard a statement without having the record before me. The figures are in the committee hearings, but I am sorry I do not have them before me.

Mr. DANAHER. One other question, if the Senator please. Will the census include an enumeration of individuals not engaged in agriculture?

Mr. RUSSELL. No; there are a couple of census takers, as a rule for each county, who set forth the various questions that Congress has required the Census Bureau to ask but the same persons would enumerate the people, the hogs, the cattle, the livestock, the houses, the number of people in the farm families, and all the other questions that go to make up the agricultural census.

Mr. REED. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. The Senator from Connecticut has the floor.

Mr. REED. I beg pardon. I thought the Senator from Georgia had the floor.

Mr. DANAHER. At the time the Senator from Georgia so kindly stood to assist me in my attempt to get an understanding of the issue, neither the minority leader, the Senator from Maine [Mr. WHITE], nor the Senator from Kansas [Mr. REED], was present. They are the minority conferees. It had been my purpose to suggest the absence of a quorum and have a full attendance, so that we might understand in detail the question upon which the yeas and nays are being requested. If the Senator from Kansas, who has since returned, is able to shed any light on this issue, I most assuredly shall welcome it. I thank the Senator from Georgia for his help.

Mr. RUSSELL. I am quite sure the Senator from Kansas will clear up any confusion which may have been created in the mind of the Senator from Connecticut by my answers to his questions.

Mr. REED. Mr. President, I cannot say just when we began to take the mid-term census, but for a considerable period of time in between even numbered 10-year censuses we have taken a mid-term census of agriculture. That has been for the purpose of obtaining information as agriculture has developed in its various branches. That has been the custom for a good many years, I cannot tell just how many. There was not enough discussion in the committee at the hearings, or in the conference, to freshen my memory on a number of the details, but there was no difference of opinion in the committee, there was no difference of opinion among the Senate conferees. We still think the Senate provision is sound, and we wish to stand by the Senate amendment.

Mr. DANAHER. Will the Senator yield?

Mr. REED. I yield.

Mr. DANAHER. I asked the Senator from Georgia and the Senator from Tennessee how many employees would be engaged to take the census. Does the Senator from Kansas know what the answer is?

Mr. REED. I do not. I wish I could tell the Senator from Connecticut, but I should say, as a Republican Senator from a farm State, that there is no tinge of politics in this particular amendment, and there is nothing to make any Republican shrink from voting for it.

Mr. DANAHER. I have not even implied that in this proposal there might be a matter of so mundane a character as politics. As a matter of fact, it has even been conveyed to our understanding, through the Senator from Georgia, that the census will be taken in 1945, and therefore it will be after election.

Mr. BURTON. Mr. President, will the Senator from Kansas yield?

Mr. REED. Certainly.

Mr. BURTON. I merely wish to refer further to the number of employees.

Mr. McKELLAR. Mr. President, I have sent for the information. I wish to read the provision. It is as follows:

Census of agriculture: For all expenses necessary for preparing for, taking, compiling, and publishing the quinquennial Census of

Agriculture of the United States, including the employment by the Director, at rates to be fixed by him, of personnel at the seat of government and elsewhere without regard to the civil service and classification laws; books of reference, newspapers, and periodicals; construction of tabulating machines; purchase, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles; travel expenses, including expenses of attendance at meetings concerned with the collection of statistics, when incurred on the written authority of the Secretary; printing and binding: \$7,250,000, to be available until December 31, 1946, and to be consolidated with the appropriation "Census of Agriculture" contained in the First Supplemental National Defense Appropriation Act, 1944.

As to the number of employees the \$7,250,000 will cover, I cannot say, but I have sent for the clerk of the committee to bring the hearings into the Senate, and I shall give the information in a moment.

Mr. BURTON. I wish to emphasize that I am in favor of the proposed action, of taking an agricultural census in 1945, but I did recall that in the committee meetings the Senator from Georgia, when this question arose, was asked if there had been an investigation as to whether the manpower necessary to carry on the census would be available, and I believe he assured the committee that an investigation had been made, and that there would be men available for it, without interference with the conduct of the war, that no matter how many there were, it would not interfere with the military situation.

Mr. RUSSELL. Mr. President, that was the opinion of the Census Bureau, that they could use people in taking the census, who are not now engaged in war work. They are usually local people, employed for only 5 or 6 weeks. The positions are not permanent. Women, even housewives, can do most of it.

The estimate submitted shows that the total number of man-years for 1944 is 163; that is, the people who prepare for the census number 163. The number they propose to use in taking the census would be the equivalent of 3,410 man-years. That would be for the year 1945, when those people would be employed.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Georgia whether we do not have agencies now taking statistics, a census really, of livestock on the farms, through the triple A organization?

Mr. RUSSELL. I do not know of any census being taken. There are certain estimates that are assembled every few months, but those are not accurate figures, though they are often fairly correct. Those estimates are submitted to the War Food Administration, I understand.

Mr. WHERRY. I ask the question because in the hearings we have had regarding agriculture and the production of livestock, at various times figures were quoted as to the number on hand, the probable number of cattle and hogs. Are those figures made up from the census now being discussed?

Mr. RUSSELL. It depends on who is using the figures. If the figures are submitted from the standpoint of the farmer, his estimate of the number is

taken. Several organizations make up estimates, including the triple A, and the Bureau of Agricultural Economics. They make all kinds of estimates periodically, but those figures seldom coincide, and the very purpose of the proposed census is to clear up and make certain these various factors which are so important to the farmers.

Mr. WHERRY. If the Senator will yield further—

Mr. RUSSELL. I am glad to yield.

Mr. WHERRY. I should like to make a comment on his statement. It seems to me, as I recall the figures, that the War Food Administrator said there were 87,000,000 head of cattle. He showed a tremendous increase over the census figures of 1940, or whatever base figure he took. I do not recall that I asked him the question, but I had asked others who testified about the authenticity of those statistics, as to whether or not they were taken from the census, or were merely estimates, because they certainly do build their programs on the basis of those estimates. From the manpower consideration, if they expect to continue to make their own observations, will this proposed census be used, or is this to be a duplicating process? At this particular time manpower is a big problem.

Mr. RUSSELL. I do not know that there is any way in which we could prevent anyone from making their estimates. In some cases the estimates are predicated on information, at other times they seem to be based on misinformation. But taking the census of the people on the farms of this country is a method which has been recognized in the law since 1790. It is done by the same agency, the Bureau of the Census, which has taken the census for all these many years, and the figures they submit, of course, will be recognized by the Government. It will do away with the conflict between figures of O. P. A., the War Food Administrator, the Farm Bureau Federation, the Farmers' Union, and other organizations. We will have something definite and concrete, and I think a great deal of confusion has been caused because we have not had reliable figures.

Different agencies have different methods of making estimates and gathering information of that kind, and the result is rather nebulous, sometimes the figures are wrong. I am convinced it would be very helpful to the farmers if we could get the data this census would make available.

Mr. REED. Mr. President, I do not know who has the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska has the floor.

Mr. WHERRY. I yield the floor.

Mr. REED. I should be very happy to tell the Senator from Nebraska, using my own State of Kansas as an example, that every year in past years the State board of agriculture took what they called a survey of the State. They had several hundred or several thousand crop and livestock correspondents. Every year those correspondents reported to the State board of agriculture the number of acres of the different

crops to be planted, and probably the growth or decline in the different kinds of livestock raised. We used to rely entirely on the State Board of Agriculture of Kansas. Through the years the Bureau of Agricultural Economics in Washington has assumed that burden, and now in Kansas there is a Federal crop reporter who, by the way, has his office in the office of the State board of agriculture in Topeka, and the two organizations, the Kansas State Board of Agriculture and the Federal Crop Reporter for the Bureau of Agricultural Economics work very closely together. The Crop Reporter reports to the Department of Agriculture. The agency in the Department may or may not be the Bureau of Agricultural Economics. Possibly he may report to the triple A, or, presently, to the War Food Administration. Through the years these agencies have gathered information as to the planting of crops and the number of livestock. In addition to that, a census has been taken every 10 years for a good many years. I think the Senator from Georgia stated when it began.

Mr. RUSSELL. I did not state when it began. It has been going on for some time.

Mr. McKELLAR. The census was taken in 1935.

Mr. REED. 1935?

Mr. McKELLAR. Yes; there was one taken in 1935.

Mr. REED. My impression is that the taking of the midterm agricultural census goes back to many years before 1935.

Mr. RUSSELL. I think the Senator from Kansas is correct in that statement. The last one taken was in 1935, but the census has been taken for a number of years.

Mr. REED. I have worked with these agricultural statistics, State and National, for many years. I am very familiar with the subject in its broad outlines. It was so much of an accepted practice with me this time that I did not raise any question in my own mind at all in the committee or in the conference respecting the propriety and the desirability of taking this mid-term census.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. DANAHER. When H. R. 4204 came to the floor it carried the committee amendment which appears now on page 59 which deals with the census of agriculture. Was that committee amendment put into the bill for the first time by the Senate committee?

Mr. McKELLAR. Yes; that was put in the bill for the first time by the Senate amendment.

Mr. REED. That is the provision with respect to a census for this year.

Mr. McKELLAR. Yes.

Mr. DANAHER. Was it in the bill which was first introduced in the House?

Mr. McKELLAR. No.

Mr. DANAHER. So that the Department of Commerce did not even ask the House for an appropriation to deal with this item?

Mr. RUSSELL. Oh, no.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. McKELLAR. I will read into the Record at this point the letter of transmittal by the President of the supplemental estimate for the Department of Commerce in the amount of \$7,250,000, for the fiscal year 1945. The letter is addressed to the President of the Senate, and is dated March 10, 1944. So that it did not go to the House first, but it came to the Senate first through a supplemental estimate. I will read the letter:

THE WHITE HOUSE,

Washington, March 10, 1944.

THE PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of Congress an additional estimate of appropriation in the amount of \$7,250,000 for the Department of Commerce, for the fiscal year 1945, in the form of an amendment to the Budget for said fiscal year.

The details of this estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

Then follows the letter from the Bureau of the Budget, as printed in the Senate committee hearings. It was a supplemental estimate that was sent to the Senate, and did not go first to the House. The House vote on the matter was very close.

Mr. REED. I repeat what I said a while ago that I have been so accustomed to this census for so many years and to me it is such an accepted fact that I never raised any question in my mind concerning the propriety or the desirability of putting this provision in the bill.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. DANAHER. Let me make perfectly clear my own position in this matter. Here is a bill which when it was introduced in the House contained no reference to the census of agriculture. The first we know of it is when it appears as a committee amendment, when H. R. 4204 was before the Senate for consideration. To those of us who are not on the Committee on Appropriations and who were not familiar with the details of this comparatively obscure item, it was dealt with, as is so often the case, in purely routine fashion.

Now, when the Senate bill goes to conference, we find the House conferees rejecting entirely the Senate amendment which would provide for a census of agriculture. After the House conferees have refused to accept the Senate amendment the Senate conferees ask us specifically to instruct them to insist upon an amendment which the Senate has already adopted.

Mr. President, it would seem to me that if the Senate has taken action which the managers duly appointed on behalf of the Senate must present to the conferees, it is their duty so to do without further action by the Senate, and then

we will know what the position of the House is in reference to this item. Let the Senate conferees ask the House conferees to submit the amendment to the House for a vote, if you please. We have for an hour been trying to find out what the facts are and what the purpose of the amendment is, and what ultimately is to be achieved under it. I am persuaded by my distinguished colleague that there must be a legitimate and essential objective to be achieved, so desirable that we heretofore approved it. Now let us see what the House has to say.

Mr. McKELLAR. The House had this to say. It has voted on the amendment.

Mr. DANAHER. And what did the House do?

Mr. McKELLAR. It voted it down by a record vote of 175 to 139. That was the vote in the House. Now the Senate is insisting on its position. A motion will be made to insist upon that amendment, and we will ask for a record vote of the Senate, because we believe the farm census to be of great value. Many of the farm organizations have declared themselves in favor of it. It is true the item came in a supplemental Budget estimate to the Senate when the Senate had the bill under consideration, and the item was first adopted by the Senate. It is true that the House has voted by a small majority against it, but the question is, Shall it be adopted? Is it a proper thing to do? I think it is a proper thing to be done. I think there ought to be a farm census. It has been taken for a number of years. It will be found that the census has been taken as far back as 1935. I see no reason why it should not be taken now.

Mr. DANAHER. Let me ask the Senator a question. In view of the fact that the Senate has already adopted this amendment and it has gone to the House specifically for a vote, and the House has refused to accept it, what will be the position of the conference committee with reference to so important an appropriation bill as that affecting the Departments of State, Justice, and Commerce if the House conferees again refuse to yield to the persuasiveness of the Senator from Tennessee?

Mr. McKELLAR. The Senate did not have a yea-and-nay vote on the question before. We believe it will strengthen the position of the Senate conferees very much if we have a yea-and-nay vote on the question now.

Mr. DANAHER. Why did the House turn it down, if the Senator knows?

Mr. REED. Mr. President, will the Senator from Tennessee permit me to answer the question?

Mr. McKELLAR. Yes.

The PRESIDING OFFICER. The Senator from Connecticut has the floor. Mr. DANAHER. I am glad to yield to the Senator from Kansas.

Mr. REED. Title XIII, United States Code, section 216, reads as follows:

There shall be in the year 1935, and once every 10 years thereafter, a census of agriculture and livestock, which shall show the acreage of farm land, the acreage of the principal crops, and the number and value of domestic animals on the farms and ranges

of the country. The schedule employed in the census shall be prepared by the Director of the Census. Such census shall be taken as of the 1st day of January and shall relate to the crop year. The Director of the Census may appoint enumerators or special agents for the purpose of this census in accordance with the provisions of chapter 1 of this title.

That is the authority for the appropriation.

Mr. DANAHER. Why did the House turn down the Senate amendment?

Mr. REED. I very much regret that I am unable to tell the distinguished Senator the reason why the House rejected it.

Mr. DANAHER. The Senator from Kansas disappoints me. When the Senator from Tennessee was about to answer the question, the Senator from Kansas asked that I permit him to do so. Since I was seeking light, I was glad to yield to the Senator from Kansas. I now ask the Senator from Tennessee why the House rejected the Senate amendment.

Mr. McKELLAR. All I can do is to refer to the RECORD. I read from page 5420 of the CONGRESSIONAL RECORD for June 6, 1944, in the proceedings of the House of Representatives:

Mr. HOFFMAN. Mr. Speaker, for the last 8 years I have sat here and watched those on the majority side pass legislation and make appropriations which in the end resulted and will result in the defeat of members of the Democratic Party who failed or will fail to follow the New Deal, the C. I. O., or the Communist Political Association.

We are all familiar with the present situation where the C. I. O. Committee for Political Action is expending such part of \$2,000,000 as it deems necessary for the defeat of Members of Congress, who have refused to act as its stooges and that, regardless of whether they sit on the right or the left side of the aisle.

I had not read this speech before. It seems to have been a political speech.

I am not raising this issue now as between Republicans and Democrats, because we are all marked for defeat if we voted for the things or any of the measures the three groups opposed. We have all been marked for defeat, and already much of the money has been used to defeat candidates at Democratic primaries and one Republican has fallen by the wayside.

Some time ago I called attention to the fact that the next Congress will be controlled either by Republicans from the North or by representatives of the C. I. O. and the Communists and the New Dealers.

Mr. DANAHER. Mr. President, will the Senator permit an interruption in his highly illuminating response?

Mr. McKELLAR. Certainly.

Mr. DANAHER. The Senator certainly does not claim that what he has been reading to me is an answer to the question as to why the House defeated the Senate amendment on an agricultural census, does he?

Mr. McKELLAR. No; I do not.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. RUSSELL. I know what the House conferees stated as the reason why the amendment was defeated in the House. I do not believe we can find the reason by reading speeches of that

character into the RECORD. If the Senator from Tennessee were to read all the speeches made on this item, I doubt if that would answer the question.

The House conferees made the statement that some confusion was caused in the House because a Member of the House rose on the floor and read some questions which had been submitted in a mail survey by the Bureau of Agricultural Economics, and that the questions were very foolish. I think the impression was created in the House that they were the questions which were to be asked by the Census Bureau. It was not the same thing at all, because the agricultural census is not taken by the Department of Agriculture. It is taken by the Department of Commerce.

There is nothing new about this. In the First Supplemental National Defense Act Congress appropriated \$650,000 for the preliminary work of taking this census. I read from the First Supplemental National Defense Act:

Census of agriculture: For all necessary expenses incident to preparation for the quinquennial census of agriculture of the United States, to be taken during the fiscal year 1945, including personal services in the District of Columbia * * * \$650,000.

Six hundred and fifty thousand dollars was appropriated in the deficiency bill which came along on the 23d of December 1943, for preparations to be made to take the census. Those preparations have gone forward. As I understand the Budget recommendation for the funds actually to pay the enumerators was not sent to the House committee. The Budget estimate which we have before us was submitted after the bill had passed the House and was pending before the Senate committee.

I doubt whether any Member of the Senate could say exactly what moved the House to reject this amendment. Under the rules, if they are strictly observed, we are not supposed even to talk about what has taken place in the other body. I have always thought that those were rather farfetched rules, and I am afraid I have violated them many times. The question is not what the House thought. The question is whether or not the Senate shall stand by its position that this census of agriculture shall be taken.

Mr. DANAHER. Suppose we do not vote on the request of the Senator from Georgia for specific instructions to the conferees. The conference will remain deadlocked, will it not, until either the Senate conferees or the House conferees yield?

Mr. RUSSELL. The Senator is correct.

Mr. DANAHER. In such an impasse, even the very appropriation bill itself might be threatened.

Mr. RUSSELL. I doubt whether either body would kill the whole State, Justice, and Commerce appropriation bill because of this item. The Senate placed the item in the bill, and the House rejected it. It has come back before the Senate on a conference report with this amendment in disagreement. By its action in again voting in the affirmative

for the amendment, the Senate will request the House to take another vote on it. That is what we are seeking to do. If the Senate approves the motion that we insist on this amendment, it will go back to the House, and the House will again consider the amendment. If the House agrees to the amendment, the bill will go to the White House. If it disagrees to it, it will undoubtedly ask for a further conference, and in the further conference we will try to adjust the difference.

Mr. DANAHER. In which event, I assume the Senate conferees would again be bound, more tightly than ever, because they would have an affirmative vote directing them to insist upon the Senate's point of view. If we do not agree to insist on this amendment, a conference agreement will follow, and the bill will be approved. Is not that true?

Mr. RUSSELL. No; the bill cannot be approved unless some action is taken on this amendment, which is reported in disagreement.

Mr. DANAHER. Instead of insisting that our amendment be accepted by the conferees or that the House conferees take it back to the House for another vote, if we should, on the contrary, instruct our conferees to abandon further efforts to override the House attitude, then we would have an agreement, and the appropriation bill would be approved?

Mr. RUSSELL. Of course, if the Senate wishes to defeat the census and yield to the House, it can always do so. We have often done that. I hope we will not do it in this instance, because I think it would be extremely injurious to the farmers.

Mr. DANAHER. Mr. President, how much is involved in the total bill?

Mr. McKELLAR. I have not that figure before me. I will furnish it to the Senator in a moment.

Mr. President, the only question is whether we wish to have the farm census or not have it. We have had it for many years, and the only question is whether we wish to continue it in 1945 as we have had it heretofore. I believe that the farm census is a fine thing for the farmers. I think they are entitled to it. I think it should be retained.

I do not know what actuated the House. I tried to find out from reading the debates in the House, but they seem to be a conglomeration of politics more than anything else. But, whatever the reason, I think it is our duty to stand by the farmers in this situation and vote to retain this amendment. I believe that if we vote by a large majority to retain it, it will be retained, and that the House will recede. I certainly hope so.

Mr. REED. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. REED. In the very brief time available on the floor, I have been trying to examine the action of the House. The House had a big fight over some other amendment, not this one. On page 5421 of the RECORD of June 6, 1944, after the House had voted on some other amendment, and had insisted upon disagree-

ment in that case, or on standing by its own position, Mr. RABAUT rose and said:

Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate numbered 10.

That is this amendment.

The motion was agreed to.

That is all there is in the RECORD about it.

Now for a moment I wish to make an appeal to my colleagues on both sides of the aisle. I think the quinquennial census is valuable to agriculture. It has served and is serving useful purposes. I hope it will not be discontinued. I think the Senate should further insist upon the amendment, and should let the conferees make another effort to work out the matter in conference.

The ACTING PRESIDENT pro tempore. Has the Senator from Connecticut yielded the floor?

Mr. DANAHER. Mr. President, I have yielded the floor. The Senator from Tennessee told me he would give me the figure for the total amount involved in the bill, and I hope he will do so.

Mr. McKELLAR. The total amount involved in the bill is \$242,766,700.

Mr. DANAHER. And this amendment involves only \$7,500,000 of that sum; is that correct?

Mr. McKELLAR. That is correct.

Mr. DANAHER. I thank the Senator.

Mr. McKELLAR. Mr. President, I certainly hope the Senate will vote to uphold the position taken by the Senate conferees.

First, I ask for a vote on the question of agreeing to the conference report. I do not ask for a yeas-and-nays vote on that question.

Mr. RUSSELL. Mr. President, I ask that the yeas and nays be had on the motion that the Senate still further insist on its position on the amendment. A yeas-and-nays vote on that question will not prevent a voice vote on the question of approval of the conference report.

The ACTING PRESIDENT pro tempore. The first question is on agreeing to the conference report. If the conference report is agreed to, it will show a disagreement on amendment numbered 10. Then the motion on which the yeas and nays have been ordered will be before the Senate for decision.

The question now is on agreeing to the conference report.

The report was agreed to.

The ACTING PRESIDENT pro tempore. The question now is on the motion of the Senator from Georgia that the Senate still further insist on its position on amendment numbered 10. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. O'MAHONEY] are absent from the Senate because of illness.

The Senator from Pennsylvania [Mr. GUFFEY] and the Senator from Utah [Mr. MURDOCK] are detained in Government departments on matters pertaining to their respective States.

The Senator from Florida [Mr. ANDREWS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Missouri [Mr. CLARK], the Senator from Arizona [Mr. HAYDEN], the Senator from Connecticut [Mr. MALONEY], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senator from North Carolina [Mr. BAILEY], the Senator from New York [Mr. WAGNER], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] are absent on official business.

I am advised that if present and voting, all the Senators whose absences I have announced would vote "yea."

The Senator from Texas [Mr. O'DANIEL] is necessarily absent.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] and the Senator from Idaho [Mr. THOMAS] are necessarily absent. I am advised that if present these Senators would vote "yea."

The Senator from North Dakota [Mr. NYE], who is necessarily absent, has a general pair with the Senator from Arizona [Mr. HAYDEN].

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Delaware [Mr. BUCK], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], and the Senator from Massachusetts [Mr. WEEKS] are necessarily absent.

The Senator from Pennsylvania [Mr. DAVIS], who is absent on official business, has a general pair with the Senator from Kentucky [Mr. CHANDLER].

The result was announced—yeas 63, nays 0, as follows:

YEAS—63

Aiken	Gillette	Radcliffe
Austin	Green	Reed
Ball	Gurney	Revercomb
Bankhead	Hatch	Reynolds
Bilbo	Hill	Robertson
Brewster	Holman	Russell
Bridges	Jackson	Shipstead
Burton	Johnson, Colo.	Stewart
Bushfield	Kilgore	Taft
Butler	La Follette	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McClellan	Truman
Chavez	McFarland	Tunnell
Connally	McKellar	Vandenberg
Danaher	Maybank	Wallgren
Downey	Mead	Walsh, Mass.
Eastland	Millikin	Walsh, N. J.
Ellender	Moore	Wherry
Ferguson	Murray	White
George	Overton	Wiley
Gerry	Pepper	Willis

NAYS—0

NOT VOTING—33

Andrews	Caraway	Glass
Bailey	Chandler	Guffey
Barkley	Clark, Idaho	Hawkes
Bone	Clark, Mo.	Hayden
Brooks	Cordon	Johnson, Calif.
Buck	Davis	Langer

McCarran	O'Mahoney	Tydings
Maloney	Scrugham	Wagner
Murdock	Smith	Weeks
Nye	Thomas, Idaho	Wheeler
O'Daniel	Tobey	Wilson

So Mr. RUSSELL's motion was agreed to.

PROCUREMENT OF OIL FOR THE NATIONAL DEFENSE

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 4771) to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves.

Mr. WALSH of Massachusetts obtained the floor.

POST-WAR ECONOMIC POLICY AND PLANNING (PT. 4 OF REPT. 539)

Mr. GEORGE. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. WALSH of Massachusetts. I yield.

Mr. GEORGE. Mr. President, I expected to say a few words about the report I am now about to submit, but I refrain because I am unwilling to trespass further upon the time of the distinguished Senator from Massachusetts.

From the Special Committee on Post-war Economic Policy and Planning I submit a report, and ask that it be printed in the RECORD, and be printed under the rule.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the report was ordered to be printed, and to be printed in the RECORD, as follows:

This committee has been engaged in a study of the problem of unemployment during and following the transition from war to peace. In addition to hearing many witnesses, the work of a number of research agencies and economists has been carefully considered. Some of the aids to full employment which can be supplied by the Government have been studied in detail. The others have been studied only in broad outline and are so dealt with in this report. Detailed studies are in progress or will be made as to those dealt with in broad outline and they will be dealt with in more detail in later reports.

The problem of employment is such an integral part of the entire business structure that it cannot be separated, in the committee's thinking, from the other factors that cause a healthy economy. The American private economy is going to have to provide the jobs and the committee feels that everything which can help to do this is just as important to labor as it is to business.

While all of the problems dealt with in this report are interrelated, it is legislatively impossible to deal with all of them at the same time. Legislation on each of the subjects should be prepared just as soon as adequate studies can be completed.

THE PROBABLE LABOR FORCE

A discussion of the magnitude of the problem of reemployment is primarily important

to show the vital necessity of establishing wise policies to deal with it. Estimates of its magnitude necessarily are based upon certain assumptions that may be inaccurate to the extent that the final figure may fluctuate by as much as 2,000,000.

Estimates as to the total number of people employed and available for employment today, including the armed forces, vary from sixty-one and one-half to sixty-three million. There is no real difference in these figures, as they reflect seasonal changes, so that the larger figure may be taken as the total number of people ready, willing, and able to work.

Estimates of the number that likely will withdraw from the labor force, including those who will return to school or college, those who will retire because of old age or because, like many women, they would not have been in the labor force but for the war, range from four to five million. The higher figure is more likely to be correct. On the other hand, it must be remembered that additions to the labor force are normally around 750,000 a year.

In order to fix a terminal point for calculating the labor force, certain assumptions as to time must be made. Those assumptions may or may not be correct and a difference of 1 year in them would make a difference of 750,000 people.

If it be assumed that the war in Europe will end this year; that the war in Asia will continue for a year thereafter; and that a year and a half will be consumed in demobilizing the armed forces to their post-war strength—estimated at from two to three million—there will be between fifty-seven and fifty-eight million people in the post-war civilian labor market.

The highest employment this country ever reached prior to 1941 was approximately 46,000,000 people. This figure includes everyone gainfully employed. It was reached only 3 times—in 1929, 1937, and 1940.

It should be borne in mind that full employment does not and cannot mean that everyone willing and able to work is gainfully employed at all times. A certain percentage of the entire labor force is always out of work due to illness, the shifting of jobs, seasonal slack in some industries. The amount of this normal so-called frictional unemployment is variously estimated at from two to three million people. In 1929, there were no official figures on unemployment but estimates of the average number unemployed in that year range from one and eight-tenths million to three and five-tenths million. Today, with a manpower shortage, approximately 1,000,000 are unemployed, and this seems to be the irreducible minimum.

After making allowance for this frictional unemployment, in order to attain full employment in the post-transition period, jobs must be found for somewhere between fifty-four and fifty-six million people.

Estimates as to the size of the working force during any stage of the transition period are more difficult. That figure will depend on factors that hardly can be foreseen and to a large extent will depend on the intelligence with which the reductions in war production are planned and put into effect.

Today approximately 50,000,000 people are employed, outside the armed forces. Overtime work is estimated to be equivalent to the work of an additional 5,000,000 people.

It would take approximately the estimated post-war labor force, without overtime, to maintain present production schedules.

This does not mean that the present manufacturing production must be maintained, but it will be necessary to maintain a total national production greatly above any ever attained in peacetime. The service and construction industries and the professions have given up more than 5,000,000 people, either

to the armed services or to the production industries, and it may be assumed that these people will not have to be cared for in the production industries. Neither will the manufacturing industries have to take up all of the remainder of the additional labor force. In addition to those they have lost due to war dislocations, the service industries will be called upon to expand proportionately to meet normal peacetime needs with expanded production.

The present unprecedented agricultural production has been achieved with fewer agricultural workers than were employed in 1940.² Due to technological developments, agricultural production per worker averaged 25 percent greater in the years 1940-43 than in 1935-39, and 67 percent greater than in 1910-14. There appears little likelihood of a need for an increase in the number of agricultural workers in the immediate post-war period. There is much difference of opinion as to whether this will be true in the longer range future.

If the assumption that the war will end in two stages, with a year's interval between the defeat of Germany and the defeat of Japan is correct, the problem of demobilization will be simplified.

Approximately two and one-half million men will be released from the ground forces during that year, at the rate of from 200,000 to 250,000 per month. Munitions production will be cut from 30 to 50 percent. As a result of these cut-backs in war production, a large number of workers will leave the munitions industries. Estimates of the number range from four to five million. These people may be thrown onto the labor market more precipitously than the returning soldiers.

Some of those now in the labor market will return to school and some of them will withdraw permanently from the labor market. The pent-up demands for civilian goods should absorb those that are left. This statement gives consideration to the fact that some time will be required in many industries to resume civilian production, but the release of the returning soldiers and war workers will be more or less gradual and the industries which have no conversion problems should be able to absorb the first of them.

From April 1940 to November 1943, manufacturing employment in 335 counties in the United States increased 7,019,000, or 89 percent. In the remaining 2,765 counties in the United States, it decreased 1,118,000, or 41 percent. Included in those war-boom areas are approximately 1,700,000 workers in shipyards and 1,300,000 workers in the aircraft industry.

The first 6 months following final victory will see the greatest accession to the civilian labor market. Beyond doubt this will be the most critical portion of the transition period.

The armed forces will be demobilized at a rate of from 500,000 to 600,000 per month. All war production will cease. Most of the workers in the munitions industries will be released during that period.

The airplane plants and shipyards will operate little, if at all. The automobile plants will be in process of conversion. The forces that created the war-boom areas will terminate. The available jobs in those areas will not provide for the workers in them. This inevitably will leave large "pools" of unemployed in war-boom areas, regardless of the over-all national employment situation.

On the other side of the picture, it is likely that most of the retirements from the labor market will come during this period and that a large number of the returning soldiers will go back to school.

During the succeeding year the accessions to the total labor force will come largely from discharged soldiers. Of necessity this

² The Department of Agriculture estimates 332,000 less.

¹ S. Rept. 539, pt. 2, 78th Cong., 2d sess.

discharge must be gradual, due to transportation limitations. By the beginning of that year the factory conversion job should largely be accomplished.

FULL EMPLOYMENT MUST BE OUR GOAL

This country never has had and never will have real prosperity without full employment. A man vainly seeking a job is not a potential customer for the products of American farms and factories. Multiply that man many times and the combined loss of purchasing power starts a downward spiral of production, which in turn causes more unemployment and more loss of potential purchasing power. Government war expenditures of nearly a hundred billion dollars a year clearly demonstrate what mass purchasing power can do for American business. When that expenditure is stopped, civilian expenditures must take the place of a very large part of it if this country is to be prosperous.

Normal technological developments will mean greater productivity per man-hour than was attained in 1940. Add to this the eight to ten million more workers than were employed in 1940. The answer to the full employment problem can be only one thing—a much greater gross national production than this country has ever produced in peacetime.

Such a production cannot be attained or maintained without purchasing power sufficient to absorb it.

One school of thought approaches the problem with the proposition that if business is profitable, the jobs, and consequently the purchasing power, will be provided. Another school of thought approaches it from the viewpoint that if there is full employment at adequate wages business is bound to be profitable. The two approaches are merely different ways of stating the same thing and accent the interdependence of full production and full employment. The mass purchasing power necessary to maintain a healthy mass production must come from the American people in purchases of consumer and capital goods. If it does not come from them, mass production cannot be maintained except through subsidized exports and governmentally supported public-works programs. Either of the latter tends to impose a heavier tax burden which in turn takes away incentive to production and provides a far less healthy economy than is provided by mass purchasing power resulting from full employment by private enterprise. The whole problem of full production and full employment is and must be a circle. It has no beginning and no ending. If either declines, the circle merely contracts.

Employment of eight to ten million more people than have ever before been employed in America and absorption thereafter of approximately three-quarters of a million people annually into the labor force must be America's goal. It presents a challenge almost as grave as the challenge of the war.

THE GOVERNMENT'S ROLE IN SOLVING THE PROBLEM

The severity of the transition period and the ability of industry following that period to absorb eight to ten million more workers than it has ever absorbed before will depend very largely on governmental policy, and this committee is primarily concerned with the shaping of that policy.

Most important is what one witness referred to as "economic environment."³ It might equally well be called confidence. In one of the ablest commentaries that has been presented to the committee⁴ it is said:

"This generalization that people are largely actuated by habit is useful in connection

with prophecy regarding the future effects of the great changes which the last 15 years, and the war, have brought in the financial world. Beginning with the stock-market crash of 1929 and the failure of the Bank of the United States, continuing with the institution of the Federal Deposit Insurance Corporation and the Securities and Exchange Commission, the rise in the public debt and in rates of taxation, including the abrogation of the gold clauses, the silver-purchase experiments, the devaluation of the dollar, and many other happenings that readily come to mind, the circumstances within which financial and investment processes are carried on have been subject to a long-continued series of rapid and fundamental changes. That is, the environment within which financial decisions have been made has been subject not only to alterations of a fundamental and far-reaching character but—more important—to a rate of change so rapid as to be almost revolutionary in character.

"Business can adapt itself to and can function effectively under almost any set of conditions—provided these conditions are not changed too often. For a rate of change too rapid to permit adjustment breeds confusion, confusion begets distrust, and distrust produces a kind of creeping paralysis throughout business and economic activity. * * * If 10 years are necessary in order that the capital laid out in an investment be recovered, and if it is suspected that conditions during the 10 years will change so rapidly that the capital invested cannot be recovered, the investor—or the business executive—evidently will not make the investment.

"Furthermore, many of these changes have been of such a character as to carry the suggestion of public disapproval of many of the beliefs, activities, and principles of numerous businessmen. This fact, irrespective of whether the disapproval was deserved or not, has unquestionably been disheartening to many executives, and exercised a restrictive influence on business activity, even though such influence has not been subject to statistical measurement.

"Thus it might be that one of the policies most stimulating to business, which public officials and business managers could pursue in the post-transition period, would be a reduction of the rate of change and a continuance of established conditions and ways of doing business. For in terms of motives, change too rapid to allow adjustment breeds stagnation; whereas progress is accomplished by a rate of change that permits business practice and mental attitudes to adapt themselves to it."

Without a proper "economic environment," without confidence in the friendly attitude of Government, without reasonable certainty that a minimum number of simple "rules of the game" will not be changed except upon great provocation, without relief from an increasing number of departmental "directives"—many of them conflicting—without a certainty that the Congress will delegate the absolute minimum of its powers and those under well-defined conditions, without assurance that legislation and administration will not discriminate in favor of any segment of the economy, without a well-defined fiscal policy, business will not be willing to go forward and expand. It will not be willing to spend its reserves for new facilities. It will not be able to secure new equity capital. The investor will continue to seek the lesser profits of security rather than the greater gains of risk. Ownership will not be attractive. Savings that should spark the expansion of private enterprise will be hoarded and become valueless in increasing and absorbing American production.

Confidence on the part of the consuming public is equally important. A consumer who is fearful of his economic future will live from hand to mouth, with a possible "rainy day" uppermost in his mind. He is a customer of American business only to the

minimum degree necessary to keep body and soul together. He offers no outlet for new automobiles and refrigerators and radios and the myriad luxuries that should arise from the technological advancements of this war.

It, therefore, seems fundamental that the first consideration in the shaping of governmental policies should be to inspire confidence on the part of management, the investor, the employee, and the consumer.

THE ROLE OF CONGRESS

The committee feels that the following demand the attention of Congress if an intolerable unemployment situation is to be avoided:

(1) Office of Demobilization: "A directing, coordinating agency should be set up at once to direct and coordinate the activities of all Government agencies dealing with the demobilization problem. The problems of contract termination, property disposal, manpower disposition, employment, the integration of cut-backs in war production with increases in civilian production, the selection of contracts to be canceled in relation to the labor situation in a given area, the planning and integration of programs for post-war utilization of war plants, the provision of storage facilities for termination inventories, the availability of inventories and machinery necessary for resumption of civilian production, and innumerable other problems are so important that such an agency must be set up to coordinate and give direction to the making of plans for their handling. The committee feels that it is unimportant whether it is set up in the Office of Mobilization or as a separate office, so long as the definite responsibility for seeing that the necessary work is done in a coordinated and competent manner rests upon one man.

(2) Termination of war contracts and clearing of war plants: "Large-scale unemployment can and probably will result from any failure to accord war contractors whose contracts are terminated a fair and speedy settlement and prompt payment and promptly to clear their plants of machinery and Government inventories so that their reconversion job can go forward. S. 1718, which sets up the machinery for this purpose, has already passed the Senate. That bill clears the legislative obstacles, but the contracting agencies must at all times be keenly aware of the relationship between a speedy job of contract settlement, employment, and proper protection of the public interest.

(3) Surplus war property: The property and the plants in the hands of the Government, if not marketed wisely, will constitute a threat to markets that can seriously hinder both production and employment.

This Committee has made an extensive study of this subject and a number of bills dealing with it are now before the Congress. Every effort should be made to secure proper legislation on the subject without delay.

(4) Unemployment compensation: This Committee has just concluded extensive hearings on this subject and has heard many witnesses from business, labor, and agriculture and representatives of the Social Security Board and State unemployment compensation agencies. In a short time its study of that testimony will be complete and a full report on the problem will be ready in the near future.

(5) Construction projects: "All necessary steps must be taken to make certain that materials needed for private construction, repair, and maintenance are available immediately upon the cessation of hostilities. Unless there can be proper conversion of plants between the defeat of Germany and the defeat of Japan for the manufacture of

³Robert R. Nathan.

⁴Charles Cortez Abbott, Forces Influencing Investment in Business Enterprise After the Transition Period.

⁵S. Rept. No. 539, pt. 2, 78th Cong., 2d sess.

⁶See S. 1718.

⁷S. Rept. 539, pt. 2, 78th Cong., 1st sess.

⁸Now under study.

materials necessary to the start of a private housing and industrial construction program, the cushion that such a program would provide during the most difficult transition period can well be lost.

The extent to which the Federal Government is to participate in highway construction should be determined. The States have the major responsibility for the building of highways, but those that are merely planned give employment to no one. The whole program of financing highways should be made perfectly clear so that the States can proceed to obtain rights-of-way and prepare contracts in order that work can start when it is most vitally needed. Repair and replacement of highways can be of major help in providing employment during the transition period.

Careful consideration should also be given to the preparation of a portfolio of useful public works that can be started quickly and terminated quickly, to be held as a reserve, and to be utilized only when necessary. In order to avoid Government works projects merely for the purpose of providing work—to which everyone, apparently, is opposed—useful public-works projects, in the field of road building, reclamation, irrigation, flood control, and probably many other fields are thoroughly justified. The smaller the individual project, within reasonable bounds, the better, as it is the small project that can be started quickly and terminated quickly when the need for it, as a prop to employment, is passed.

The Congress should also determine to what extent, if any, it expects to subsidize public-works projects by States and their political subdivisions. The fiscal position of the States has improved to such an extent in recent years that there probably is neither reason nor justification for Federal subsidies to the States for public works. However, many local governments have public-works projects in the blueprint stage and they may not be in the same happy financial condition. Until they know whether the Federal Government is going to participate in the cost of these projects, they are hindered in going ahead with their financing plans. They should know what the situation is to be in this respect so that, if necessary, they can go ahead with their own financing.

Careful consideration might well be given to loans to States and their political subdivisions for architectural and engineering fees and other things preliminary to the preparation of their projects, pending their financing.

(6) Residential construction: Any action that will stimulate residential construction will at the same time stimulate employment. This committee is studying the whole housing situation with a view to determining the possible housing needs in post-war years and with a view to framing legislation to stimulate those needs.

(7) Migration and retraining of workers: Because of the concentration of workers in the 335 war-boom counties in the United States, these areas can present a most serious problem. Certainly, as production cutbacks are made, they should be made in those areas, rather than in "loose" labor areas, unless there are compelling reasons for doing otherwise, but even if such a program is carried out, the problem of employment in those areas probably will be the most serious that the country faces. It would not be economically sound to institute public-works programs in those areas which do not have a reasonable prospect of providing private employment for all the workers in the area after the reconversion period. In other words, a freezing of an excess-labor situation would help no one. Careful consideration should be given to some form of assistance to enable those workers to move themselves into areas that offer a better opportunity for employment and to secure jobs

in those areas. This assistance might be given by loans or grants through the Employment Service. This is a part of the liquidation of war and must be a national responsibility. The question of vocational training should be studied, to determine what is adequate and necessary.

(8) Price controls and rationing:⁹ A complete study of the supply situation should be made to determine what price and rationing controls must be continued to assure a proper distribution of scarce materials and to prevent inflation and how long it is absolutely necessary to continue them for those purposes. As war production declines and war contracts are canceled, speedy settlement of claims, adequate interim financing, and prompt plant clearance will be of no assistance in providing employment if materials are not available for the resumption of civilian production. An adequate supply of materials is a greater foe of inflation than any price controls can be.

(9) The post-war Budget:¹⁰ The Congress should carefully study the probable post-war Budget, for the purpose of eliminating all unnecessary expenditures, and to have a yardstick beside which to lay all proposed expenditures and taxes so that an over-all picture can be obtained. Because of interest charges on the national debt and the maintenance of a post-war Military Establishment larger than we have ever known before in peacetime, the annual Budget certainly will be hugely greater than that of any previous peacetime year. Such a Budget undoubtedly will present an obstacle to both investment and employment, but if the production level is high enough to give full employment, it should be easier to carry than any peacetime Budget for a number of years past.

(10) Refinancing Treasury obligations: At the conclusion of hostilities, a large percentage of the smaller War bonds, which represent a huge amount in pent-up savings, are going to be offered the Treasury for redemption. The liability to corporations for the 10-percent post-war credit will have to be satisfied. The refinancing problems of the Treasury during that period will be immense. The financing will not be done in the atmosphere of patriotism in which War bonds are being sold today. Too careful consideration cannot be given to this problem.

(11) Post-war taxation:¹¹ An immediate study should be made of the problems of post-war taxation with a view to revising the tax structure so as to promote expanding production and consumption. How much can we tax away the purchasing power of the low-income groups, who spend everything they make for consumer goods? What revisions in corporate taxes and surtaxes and in taxes on capital gains must be made to make ownership and equity investment more attractive? What impetus can be given through the tax laws to a greater production and use of producers' goods? There is no difference among students of economics on the proposition that there must be enough new investment to provide an outlet for savings. Idle money cannot be productive money and idle savings do not provide production or jobs. If there is sufficient private expansion to provide new investment outlets equal to savings, any argument for an extraordinary public-works program loses its force. If an adequate outlet for savings is not provided by private investment, the advocates of large public works on a permanent basis are likely to prevail.

A tax program probably will have to be written without knowledge of what the national income will be but if it sufficiently stimulates investment and purchasing power, rates can be drastically lower than today's

levels and still produce sufficient income to pay the running expenses of the Government and provide a sinking fund for retirement of the national debt. The Congress must find the proper balance to provide the necessary revenues and still stimulate expanded production and consumption.

(12) Equity investment: Revised taxation is not the only means of stimulating equity investment. It is strongly contended, from many sources, that the Securities and Exchange Act makes equity financing of small businesses practically impossible. That act should be examined with a view to retaining its salutary provisions and eliminating those that make the floating of new small-security issues so troublesome and expensive that they are practically prohibited. The study might well be extended to all other practices that are restrictive upon the financing of new equity issues.

(13) Foreign trade: The committee is fully conscious of the importance of foreign trade in the post-war economy. Means of expanding that trade should be explored and given the most careful consideration.

(14) Monopolies and trade barriers: Careful consideration should be given to means of effectively preventing any monopolistic practice that has the effect of retarding production or artificially increasing costs or prices. Such practices, whether they be attributable to business, labor, or government, undoubtedly tend to strangle a free economy. The States should be urged to examine carefully such practices that are beyond the reach of the Federal Government.

A careful study should be made of the legislative distortions of the interstate commerce clause of the Constitution. Subterfuges through which the States have imposed burdens on interstate commerce should be prohibited, and as a corollary the Federal Government should not assert power under that clause which does not properly belong to it. The free flow of commerce must not be hampered by either monopolistic practices or State barriers.

The whole problem of monopoly legislation should be carefully studied and clarified to the end that monopolies can be adequately punished but to the end also that business may know clearly just what is and is not prohibited and may not be harassed by unjustified monopoly prosecutions.

A study should also be made of the scope and effect of taxation of the same movable property by more than one State and the desirability of preventing it, to aid the free flow of commerce.

(15) Delegation of congressional power: As stated earlier in this report, the vast number of directives and regulations of a vast number of Government bureaus contribute much to upsetting the economic environment and the equilibrium of business. There are certain administrative powers that the Congress, of necessity, must delegate, but it should reexamine its delegation of powers, with a view to reclaiming, after the war, all delegations that can possibly be considered legislative. Careful consideration might be given to the creation of a joint committee of the two Houses, equally divided in political membership, and with an adequate technical and legal staff for the purpose of examining delegations of power which have been made and for the purpose of studying regulations of the various bureaus to make certain they are within the delegated powers. It might well be desirable to require every regulation and order to specify the exact statutory authority from which it was derived, to avoid loose assumptions of power Congress never intended to delegate. This would contribute to the maintenance of confidence in the American economy.

(16) Overlapping functions of Government: A careful study should be made of all the governmental bureaus and departments with a view to the elimination of

⁹ Study on this subject is in progress.

¹⁰ Now under study.

¹¹ A number of studies by various organizations are in progress on this subject. They will all be considered by the committee.

those which do not perform a real and vital function and of the overlapping functions of others. Whatever steps are necessary should be taken to coordinate and unify the activities of all the departments, to be certain they do not pull in different directions.

In its report of February 9, 1944, this committee said:

"The Congress should not overlook the fact that however unavoidable is the delegation of its policy-making powers in time of war, it is quite another thing for Congress to delegate its primary functions to any executive agency in time of peace and it should retain in its hands the settlement of the broad basic problems of the demobilization program out of which the structure of the peace economy will arise. The nature of the economy of this country for many years to come will depend upon the policies and decisions which are to be followed in the demobilization.

"Regional, State, and local considerations have been overlooked of necessity in the mobilization for war, for in war central power is essential. They cannot be overlooked in the reconstruction program for which we are now preparing. The economic life of this Nation must not be permitted to become dependent upon Washington directives for peace as it has been for war."

It reiterates that assertion.

The very size of the Federal tax bill and the Federal Budget makes inevitable a strong impact by the Federal Government upon the lives of our citizens. The industrialization of America has tended to create interstate problems that once did not exist. The liquidation of this war is a national job. These facts impose burdens upon the Federal Government that it must be prepared to assume. The very fact of their assumption tends to make the Central Government too large to be efficient. It follows that it should leave to the States those matters that do not necessarily fall within its orbit. The States must reexamine and reassert those responsibilities.

On the other hand, the citizens, as well as the States and their political subdivisions, must cease to look to Washington for aid on every problem that burdens them. Local authority and local responsibility must go hand in hand.

If the Congress discharges its obligations in the fields set out above, we can well have what Mr. Baruch called an adventure in prosperity. If it does not survey these fields and reach wise decisions in them, we can well have economic chaos.

Congressional attention to these matters cannot wait. Prompt action on them is of transcendent importance and this committee feels most strongly that no extended congressional recess should be considered pending their disposition. The very destiny of the Nation may depend upon wise and prompt decisions in respect to them.

Mr. GEORGE. Mr. President, I do wish to call attention to the concluding statement in the report, as follows:

Congressional attention to these matters cannot wait.

Referring to certain pressing problems which may presently be thrust upon us.

Prompt action on them is of transcendent importance and this committee feels most strongly that no extended congressional recess should be considered pending their disposition. The very destiny of the Nation may depend upon wise and prompt decisions in respect to them.

In connection with the report I call specific attention to the pendency of Senate bill 1718, which passed the Senate several weeks ago and is now in the House. It is understood that the House Rules Committee has granted a rule on

the bill, and it is hoped that it may be taken up during this week. Nothing is more important than to get out of the way legislation dealing with the immediate and pressing problems of reconversion to a peacetime economy.

In connection with the report, and as a part of my remarks, I ask also to have published in the body of the RECORD a statement by Justice Byrnes, Director of War Mobilization, made this morning before a committee presided over by the Senator from Montana [Mr. MURRAY].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Last December I discussed with you in executive session the problems of contract termination and the disposition of surplus property. I told you that, while waiting for the enactment of legislation which we agreed was essential, I would proceed as far as possible under existing law.

In December we established the Contract Termination Board. Mr. John Hancock has been acting as chairman. Progress has been made, but to operate efficiently legislation is necessary. The bill passed by the Senate provides the necessary machinery for contract terminations, and I hope it will soon be acted upon favorably by the House.

In February by Executive order there was established the Surplus War Property Administration. Mr. William L. Clayton was appointed Administrator. The experience of the Administrator should be helpful in the drafting by your committees of the bill providing for the disposition of surplus property.

The Baruch report recommended the establishment of a Work Director. By Executive order the Retraining and Reemployment Administration was established. Brig. Gen. Frank T. Hines was placed in charge of this work. He is making progress, and I understand has appeared before your committee as to certain phases of his work.

The Post War Adjustment Unit established last fall has been under the direction of Mr. Bernard M. Baruch, with the assistance of Mr. Hancock. Having filed their report, some weeks ago they advised me there was no reason for the continuance of the Unit and requested that it be discontinued. This request was agreed to. Mr. Baruch continues as special advisor to the Office of War Mobilization, the position he has occupied since the establishment of the office.

I have recited the status of these agencies under the direction of O. W. M. and concerned with the reconversion program before presenting to you my views as to the bill you have invited me to discuss, S. 1730.

When the Office of War Mobilization was created, and until quite recently, the procurement agencies were engaged in developing many new programs. Now their programs, with a few exceptions, have reached a peak. The job is to maintain that peak. If the Congress intends to recess within the next two weeks, one would be an optimist to expect this bill to become law until after the recess. Certainly, by that time, the big task will be planning for demobilization. Should the bill then pass, I do not want to be immodest and assume that the President would offer to appoint me to the office the bill creates, but if, because I am Director of War Mobilization, he should do so, I feel that at that time the mobilization situation will be such I could decline to accept, and I would so decline.

I make this statement so you will know that any opinion I may express about the bill is not influenced by a personal interest in the office it creates.

I believe that the George-Murray bill which you have under consideration is a step for-

ward in the right direction. It should help in the development of unified and consistent policies and programs for the post-war period without interference with the war effort.

As I understand the bill, it gives statutory authority to the Office of War Mobilization and Post-war Adjustment to exercise the war mobilization powers now exercised by me under Executive order and, in addition, to exercise somewhat comparable powers in the field of demobilization and post-war adjustment. It is highly desirable that such important powers of direction and planning whether for mobilization or demobilization should be defined and confirmed by the Congress.

Extensive reorganization of Government agencies was necessary to build up effective governmental machinery for war. Extensive reorganization and consolidation of Government agencies will be necessary to streamline and simplify the governmental machinery for peace. Some of this remoulding of Governmental activity can be achieved under existing law, some of it will require legislation. It is important, in my judgment, to have an office like the proposed Office of War Mobilization and Post-war Adjustment with statutory authority to guide and supervise the development of over-all policies and programs in close cooperation with the Congress without itself directly taking on the burden of detailed administration.

I also hope that you will retain, in the bill, provisions supplementing the existing Federal social-security legislation. These provisions should (1) induce the States to liberalize their unemployment insurance laws during the period of readjustment and demobilization, and (2) enable the States to secure reimbursement from the Federal Government to the extent necessary to prevent the State unemployment funds being unduly depleted by reason of the increased burdens imposed on such funds.

Assuming that Germany is still at war with us when we reach the fourth quarter of this year, we must expect cut-backs in some programs that will necessarily cause many persons to be unemployed in certain industries and in certain areas. When Germany surrenders, cut-backs will probably increase, and when peace comes we must expect considerable unemployment. To lessen this unemployment, it is important, first of all, to provide for the intelligent conversion of industry to peace. If men are to be employed, we must have employers, but we must realize that, notwithstanding what we may do to facilitate reconversion, we are bound to have some unemployment. The extent of that unemployment is dependent upon too many factors for one to hazard an estimate.

My opinion is that if reconversion is handled intelligently, the unemployment will be of relatively short duration. I do not believe that we can leave entirely to industry or to local governments the burden of alleviating the distress that will result from unemployment caused by the cancellation of the contracts of the Federal Government.

If we agree that the Federal Government has a duty to perform, the question is, How shall that duty be discharged? Because I believe the unemployment will be of relatively short duration, I do not think the Congress should revive the Works Progress Administration. Nor do I think you should authorize the payment to employees of dismissal wages, to be charged up to contracts. That would offer relief only to a portion of the unemployed. It would mean the payment of a bonus to some employees who might get a job the following week while other employees might be unemployed for months. I believe that unemployment insurance should be our first line of defense.

In a speech in New York last April I expressed the view that existing State unemployment insurance laws were framed to

meet local conditions of temporary unemployment and are not adequate to deal with the Nation-wide problem of reemployment. I stated that demobilization must be regarded as a national problem and its costs as part of the cost of the war. I suggested that the State unemployment insurance plans should be supplemented by Federal support to the extent necessary to give practically all workers, during the transition from war to peace, suitable unemployment benefits.

I am in substantial accord with the provision of the George-Murray bill on this subject. It is evident that an effort has been made to develop a plan which would most smoothly gear into the operation of existing State unemployment insurance laws. It does not propose, and it is not necessary, to federalize the State unemployment insurance laws for this purpose. By its terms the proposed legislation is limited to the emergency period, terminating 2 years after the cessation of hostilities, and requires specific and affirmative action of the Congress for its continuance.

In order that some States may not receive more favorable treatment than other States, the bill wisely provides that the State laws be required to meet the following minimum standards during the period of transition from war to peace.

First, workers in covered occupations, of employers of 1 or more workers, instead of 8 or more (as now provided by Federal law), must be eligible for unemployment benefits. This simply makes the incidence of unemployment insurance the same as old-age insurance. It is estimated that this would bring 3,000,000 workers now unprotected under the protection of the unemployment-insurance laws.

Second, compensation for a minimum of 26 weeks of total unemployment within a benefit year must be provided. In some States, I am informed by Mr. Altmeyer, an unemployed person, no matter how long he is unemployed, can draw only a few weeks of benefits, and that about half of the States provide less than 17 weeks of benefits. Even in a good year like 1941, it is estimated that more than one-half of the claimants for unemployment compensation exhausted their benefits before they found employment. The present limitations on aggregate benefits are much too severe to carry us through a period of extensive reemployment.

Third, the maximum rate of compensation must not be less than \$25 for a week of total unemployment. In 22 States no worker can now receive more than \$15 a week in benefits regardless of his previous wages. That is not enough for workers accustomed during the war to earn \$40 or \$50 a week or even more. Since State laws were originally enacted, the cost of living has materially increased.

I had hoped that the G. I. bill would allow a maximum rate of \$25 a week of unemployment benefits for our servicemen; but as a rate of \$20 a week has been agreed to by the conference committee, I suppose that your committee will want to lower the requirement in this bill from \$25 to \$20.

The minimum requirements suggested by the George-Murray bill are not unreasonable in themselves, and they are certainly necessary to prevent an undue inroad on workers' purchasing power during the emergency period when an unusually large number of workers will be seeking reemployment.

The committee's plan provides that when the unemployment funds of a State are less than the amounts collected during the preceding year the State shall be entitled to have transferred from a Federal reinsurance fund to the State unemployment fund an amount equal to the unemployment compensation paid by the State in excess of 2.7 percent (the credit allowed to the States under the Federal unemployment tax) of the wages

taxable under State law. This reinsurance by the Federal Government should not only induce the States to meet the minimum requirements set, but should encourage them to broaden their coverage and, further, to liberalize their benefits.

As the States cannot be expected to make the necessary changes in their own laws before July 1945, I think a provision such as has been incorporated in section 305 of the bill is important and necessary. It will enable the States by agreement to make before July 1945 the payments which the bill seeks to require them to make after that date and will enable the States so agreeing to receive from the Federal reinsurance fund the additional costs of any such payments made prior to such date. This may be very important if, as we all hope, the German surrender occurs prior to July 1, 1945.

I have asked the advice of General Hines and Mr. Altmeyer on the bill's proposal. Both of them have gone over the proposal carefully and have discussed it with General Hines' policy board. Not being an expert on unemployment insurance legislation, I have had to rely on their experience and technical judgment. They are in general accord with the proposal but have suggested certain technical improvements in the bill. I will leave their suggestions with the committee. To avoid any fear of open-end liability in the Federal Government, I would endorse their suggestion that the Federal Government be not required to underwrite State unemployment compensation in excess of 36 weeks of total employment in a benefit year or in excess of a weekly rate of \$30.

I am also leaving with you a letter which Mr. Altmeyer prepared for me, giving data on the inadequacy of the benefit and financial provisions of the existing State unemployment compensation laws.

I am glad to see that there has been inserted in the bill a provision to enable the United States Employment Service to bear the necessary cost of transporting war workers to their new work or their old homes. Workers should be helped to leave localities where there is no longer work for them. That is rightly regarded as a part of the cost of demobilization.

I should also point out that there are a large number of Federal industrial workers who are not covered by the State unemployment insurance laws, and separate legislation will be necessary to provide necessary protection for them.

Unemployment insurance is our first line of defense against unemployment. If you can induce the States to utilize their great reserves in making more liberal allowances I think you will be able to tide over the reconversion period, and you will have time, in the light of conditions then existing, to determine what you want to do about public works. However, if the allowances are inadequate you will not have any time. The average weekly compensation of employees in manufacturing establishments is now \$45. If such an employee, when out of a job, is paid \$15 a week he will have to pay most of it for rent. When he gets through paying for rent, light, heat, insurance, and medicine he will have so little left for food that he will be demanding that the Federal Government provide work. I hope the appropriate congressional committees will now begin consideration of a program of public works which in an emergency can be promptly authorized. The Federal Works Agency has prepared a program for road construction and for Federal buildings. I am advised the National Housing Administration has submitted to your post-war committee suggestions as to housing plans.

I have discussed the human problem at some length because it is the most important. There can be no effective solution of that problem unless all phases of the demobilization program are carried out. It cannot be

carried out until we get the necessary legislation. The program for the termination of contracts can only limp along until the enactment of the bill passed by the Senate some weeks ago. The machinery is prepared to have the field representatives of the procurement agencies instructed as to the policies Congress wants followed in such settlements. Plans have been made to bring from universities capable instructors, who, after studying the procedure, can, when they return to their institutions in various sections of the country, instruct the accountants of corporations as to the policies and procedures. But neither the accountants of the Government nor the accountants of industry can be instructed until the policies are determined upon.

The extent of unemployment will be greatly aggravated by any delay in the settlement of contracts. If the settlements of thousands of contracts are to be held up until there is a detailed audit, then we may as well immediately provide for a huge public-works program.

Some few contractors may be found to be corrupt. When this occurs, they should be severely punished. But that we exaggerate the fears of contractors taking advantage of the Government in settlements, is evident from the record of settlements for the month of April. The War Department authorized the termination of 1,482 contracts; 598 contractors filed claims as a result of termination; 1,057 agreed to immediate settlement without filing any claim growing out of termination. The contractors took the position in most instances that if they received a payment as a result of a claim, by the time they got through with renegotiation and the payment of excess-profits taxes, the amount they received would not be worth the time and effort necessary to file a claim. They were satisfied to have the Government quit. The value of the items canceled, and for which no claims were made, amounted to \$192,000,000.

When you provide for contract terminations you are not giving contractors something—you are simply providing for the Government to promptly pay what it owes. That's being honest. And, as always, honesty is the best policy. If we promptly stop production when it is no longer needed, we help the taxpayers. If we promptly pay what we owe, the contractor can promptly return to civilian production and provide jobs for workers.

In a progressive step to aid in the reconversion, the services have requested all their contractors to advise them the number of Government-owned machine tools in their plants that they would be interested in purchasing and the number that they can store. Through the Surplus War Property Administration, steps are being taken to enable the contractors to purchase now for future delivery such of these machine tools in their plants as they wish to acquire at prices to be fixed by the Administration and subject to the right of the Government to repurchase at the sale price if any future requirement by the Government should develop therefor.

Today we are prepared for war. But we are not unprepared for peace.

Looking to the collapse of Nazi Germany, the armed services are already far advanced programing the orderly demobilization of our soldiers and sailors and the largest possible release of our industrial plants and civilian population from military production.

Our fighting men are entitled to first consideration in any plan of demobilization. Their orderly release at the earliest possible moment consistent with the effective prosecution of the war, has ever been the primary consideration of both the President and the Joint Chiefs of Staff. Fair standards for their discharge in such numbers as the defeat of

Hitler will permit have already been established, not arbitrarily, but in a highly creditable, democratic way. The soldiers and sailors themselves have been interviewed and their views have been followed as to both the standards to be used and the weight to be accorded these standards in fixing the order of demobilization of our servicemen. Our admiration for the men in the armed services is even further increased when we learn that 90 percent of those who were interviewed asked that those among them who had seen service at the fighting front be given a preferred consideration, and that fathers enjoy a priority over nonfathers in release from the services.

It is the intention of the Government that all men in the Armed Services, as well as their families, shall understand thoroughly the standards to be followed in the demobilization of our soldiers. To this end there has already been prepared a moving picture setting forth the standards to be followed and the reasons for these standards. This moving picture and other methods will be used to show to our troops at home and abroad, and to their families at home, the entire plan of demobilization.

Similarly, comprehensive steps have been taken by the Army Staff for the curtailment of military production immediately upon the collapse of Germany. The Army has already prepared a revision of its current supply program, to be put into effect with the surrender of Hitler. Substantial reductions in practically all categories of procurement are provided for. These revised procurement tables have already been made available to W. P. B. Broken down into categories these tables put W. P. B. in possession of the exact knowledge of the amount of plant capacity that will thereupon be immediately available for transfer to civilian production. They are also broken down by regions, by States, and even by major cities.

While perhaps not as far advanced because they will not be affected to the same extent by the collapse of Germany, the other branches of our armed services are working toward this same goal and following similar procedures.

These revised tables of the Army will shortly be made available to its field offices. It is preparing even now to advise its contractors in the near future the amount of the proposed reduction in their orders of military production to be put into effect with the collapse of Germany.

The contractor himself can thus plan today for X-day and his own reconversion problems.

While we move to X-day—the collapse of Germany—there will be many adjustments in our military programs. In large part they will represent shifts in the production of essential military requirements. There has been established by the Army Service Forces a procedure which makes such adjustments in our military programs as orderly as possible. Each week there is held a meeting of the production committee of the Army Service Forces attended by representatives of W. P. B., W. M. C., and Smaller War Plants Corporation. This meeting indicates tentative general reductions contemplated in any of its programs and lists the contractors involved in such programs. Thereafter the program is reviewed by another board, a recommendation is made for a reduction of the program and the plants to be affected thereby. In selecting the plants to be cut back, cost, use of materials, performance, labor availabilities, transportation, and other factors are considered.

Before any cut-backs of actual contracts can be authorized, the proposed cut-backs must be submitted to the Military Cut-back Subcommittee of the Production Executive Committee of W. P. B. on which sit representatives of W. P. B., Army, Navy, and Maritime Commission. Immediately following the meeting, War Manpower Commission is

advised of the tentative plans. The contractor and his labor representatives are given notice of the cut-back formally, and it is the rule in the Army that at least 30 days' notice in writing shall be given unless exceptional circumstances are presented.

The collapse of Germany will necessarily have a greater effect upon the program of the Army than it will upon the plans of the Navy. The war against Japan will prevent important cancellations by Navy. But Navy has a complete program as to what will be done upon the cessation of hostilities. The plans of the Navy are similar to those of the Army. And the completeness, the thoroughness of these plans is amazing. The Army and Navy have done a great job.

When contractors throughout the country on the collapse of Germany are directed by telegrams by Army representatives to make specific cut-backs, complete information about those cut-backs will already be in the hands of W. P. B.

W. P. B. cannot draw an exact blueprint of what it will do. In practical operation the contractor, advised of what will occur on X-day, will consult the representative of W. P. B. as to the raw materials that will be available to him for civilian production at that time. The function of W. P. B. will be to give him the information and on X-day release him from what they call the limitation order. The purpose will be to release him from restrictions at the earliest possible moment.

W. P. B. is going to advise contractors in the next few days that, without waiting for X-day, they should now place orders for such machine tools as they will require for civilian production. The machine-tool producers will be authorized to manufacture such machine tools whenever plant capacity permits.

The Production Executive Committee, of which Mr. Wilson is Chairman, last week appointed a subcommittee composed of the procurement agencies, War Manpower Commission, and Smaller War Plants Corporation. They are advised of proposed cancellations in an industry when they are first considered and before particular contracts are selected for termination. When a selection is made, this committee will canvass all procurement agencies to see if additional war work can be given the contractor. And this committee is now engaged in drafting uniform procedure, based on the efficient Army program for the termination of contracts.

Without going into further details, I wish to state that I feel confident that intelligent and detailed plans have been made for effective and prompt action on X-day. And these plans are being constantly perfected.

The Smaller War Plants Corporation is being given a more important part in the reconversion picture. I appointed its representative to the Contract Termination Board and the Policy Board of Surplus War Property Administration. In converting from peace to war the requirements of the armed services were such that smaller war plants, in many instances, were not utilized. Now we must assist them. When the European war ends we may have a more ample supply of steel. W. P. B. must allot to the armed services their requirements. If, for instance, that should be 20 percent, then before allotting the balance to the market, a small percentage should be set aside for small plants to assure they will not be denied materials because of the manufacturers' desire to prefer purchasers of large amounts. If we are to help small business provide jobs, we should give Smaller War Plants Corporation more authority and broader loaning powers.

I cannot too strongly urge upon Congress the enactment of the legislation without which all reconversion plans are ineffective. In addition to the contract termination bill, pending in the House, your committee is

about to consider the bill providing policies for the disposition of surplus property. Plans for the administration of these policies are being developed by Mr. Clayton. If Congress promptly passes that bill, those plans can be put into immediate operation.

I have discussed only those bills constituting the reconversion program which are considered by this committee. I have one other suggestion as to legislation not within the jurisdiction of this committee, but affecting reconversion plans of the committee. Some time ago tax experts of the Treasury began working upon data for post-war revenue legislation. I fully realize that it is impractical for Congress to consider revenue legislation that would not be enacted until there is a new Congress, but I know that Congress has an efficient corps of tax experts. I hope that the chairman of the Finance Committee and the chairman of the Ways and Means Committee of the House can direct the experts of the joint committee to commence work upon a post-war revenue bill. Treasury experts assure me they are ready to assist if desired. Recalling that it has always taken months for the preliminary work of a general revenue measure, I hope that that spade work can be done this summer and fall. War taxation should end with the end of the war. It is important that as soon as possible after X-day there be a revision of the tax laws that will encourage capital to invest in industry. The knowledge that the Congress is working on a revision would encourage men to plan for the investment of capital and for the employment of people. As I understand it, that is the object of this bill and the other bills in this reconversion program, to furnish real jobs to the servicemen and to the war workers of the Nation.

Let me conclude with one important note of caution that cannot be overemphasized. We are only on the threshold of the invasion of Europe. The destruction of Germany is distant. Our preparation of demobilization plans must not become an excuse for any relaxation of our present war production. For a long time to come war production must remain our major concern. But as we all labor unceasingly for victory we can be heartened by the assurance that plans are being perfected to ease the transition from war to peace, to guard, so far as is possible, against unemployment and to give such stimulus as may be feasible to the revival of civilian production.

RIVER AND HARBOR IMPROVEMENTS AND THE ST. LAWRENCE SEAWAY

Mr. OVERTON. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH of Massachusetts. I yield.

Mr. OVERTON. Mr. President, I wish to make a brief statement in reference to the river and harbor bill and the St. Lawrence seaway bill.

I have received a number of inquiries from Senators, as well as from persons throughout the United States, desiring to know when the river and harbor bill will be taken up.

It was my hope that we would be able to dispose of the bill before the contemplated recess for the Republican and Democratic conventions. With that thought in mind, on May 31, 1944, I moved that the Senate proceed to the consideration of the bill with the understanding that after the noncontroversial amendments were considered and disposed of, the bill would be considered for its controversial matters immediately following the disposition of the so-called price-control bill. The Senate, however,

voted down my motion by a vote of 21 to 45, 30 Senators not voting.

The price-control bill took a much longer time than was anticipated, at least longer than was anticipated by the majority leader and others interested in the bill. When I made my motion with respect to considering the river and harbor bill, I thought the price-control bill would be disposed of in about 2 days. It actually took a whole week, and it was finally acted upon by the Senate at the conclusion of the last day of the session preceding the one being held today.

Mr. President, between now and the end of the fiscal year it will be necessary to take up and dispose of a number of appropriation bills. If we were to undertake to bring up the river and harbor bill for consideration at this time, it would necessarily have to be laid aside for the passage of four supply bills which have not yet been acted upon by the Senate, some of which will contain some rather controversial items, and possibly consume some time.

There are also some conference reports, not only on appropriation bills but on legislative bills, which have not yet been disposed of by the Senate.

I do not believe there is any possible chance of the Senate taking up and disposing of the river and harbor bill before the proposed recess takes effect during the latter part of this month. I understand the latest date on which we will recess, if we recess at all, will be about the 23d of June. We have only about 12 working days in all between now and the 23d of June. I had a canvass made of the Members of the Senate to determine their wishes, and I am advised that a majority of the Senate entertain the view that no motion should be made to consider the river and harbor bill until after June 30 and, in fact, until after the termination of the proposed adjournment of the Congress and vacation period.

I shall not, therefore, move to take up the river and harbor bill until at least after the end of the present fiscal year, thereby affording the opportunity to dispose of the remaining appropriation bills and conference reports.

Mr. President, there is pending before the Commerce Committee the so-called flood-control bill which may be regarded as a companion bill to the river and harbor bill. The subcommittee has not completed its hearings on the flood-control bill. It hopes to be able to do so within the next few days. Therefore the flood-control bill, concerning which a large number of persons have expressed interest, will have to follow the same course which I have indicated in reference to the river and harbor bill.

While I am on my feet I wish to address myself to another subject matter, namely, that which is commonly referred to as the St. Lawrence seaway bill, a bill which was introduced by the Senator from Vermont [Mr. Aiken], and which is now pending before the Commerce Committee. I have received inquiries with reference to the bill. I hope to take it up immediately following the disposition of the river and harbor bill, and the flood-control bill. There will be

no opportunity to take up the St. Lawrence seaway bill until after the expiration of the present fiscal year.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. DOWNEY. Mr. President, as the distinguished Senator [Mr. OVERTON] realizes, one of the very controversial features of the river and harbor bill is an issue which is entirely peculiar to California—namely, the amplification of the 160-acre reclamation of the land of the Central Valley project in the San Joaquin and Sacramento Valleys. As I have said, it is a very controversial subject, as well as being complicated. It will probably be precipitated on the floor of the Senate and may take at least a week of argument and debate, which would be most unfortunate because the matter relates to a local condition.

In an effort to prevent burdening the Senate with the issue to which I have referred, it is my hope that we may have a hearing on it in the State of California before the river and harbor bill is taken up. I am led to believe that in that hearing there will be present the distinguished senior Senator from New Mexico [Mr. HATCH] and the distinguished junior Senator from Arizona [Mr. McFARLAND], as well as two Republican Senators. It is my hope that as a result of what our committee may do we may be able to work out some solution of the difficulty so as to take the issue out of the bill.

I wish to say to the distinguished Senator from Louisiana that the only date which I can set for the hearing will be about July 24. That would be 1 week after the date on which the Democratic convention is to convene. The hearing will probably take 2 or 3 weeks. I am wondering if any assurance or hope could be offered by the distinguished Senator from Louisiana that the hearing on the river and harbor bill might be delayed until some time after August 10.

Mr. OVERTON. I regret that I cannot give the distinguished Senator from California the assurance which he seeks. I am not in position to speak with any authority on the subject, but it is not improbable that when Congress recesses it will recess until after the two political conventions have been held. It is likewise not improbable that thereafter the Senate will be practically in recess by holding sessions only on every third day until after Labor Day in September. In that event the bill would not be taken up until after Labor Day, and the river and harbor bill, as well as the flood-control bill, would not come up until after Labor Day. Both bills are very important, and I would not wish to agree to delay their consideration on account of merely a single project, included in the bill to which the Senator has referred. I know that the problem about which he has spoken is a difficult one. In fact, it is so difficult that the Commerce Committee threw it bodily out of the bill in order to allow the Committee on Irrigation and Reclamation to have charge of the project.

Mr. DOWNEY. Of course, the Senator does not mean that it was thrown out

of the bill, because so far as the bill is concerned, which came over from the other House, the House amendment is still in the bill.

Mr. OVERTON. Yes; but the Senate Commerce Committee did recommend that it be stricken from the bill.

Mr. DOWNEY. May I further burden the distinguished Senator from Louisiana by another question?

Mr. OVERTON. I am glad to yield.

Mr. DOWNEY. If our majority and minority leaders in their wisdom should decide to recess until after August 1, is it then probable that under those conditions we could be accommodated in this matter by an assurance that this particular river and harbor bill will not come up until after the 10th of August? We will have only from July 24 until about August 10 to have a hearing. I believe it might relieve the Senate of several days of very controversial debate.

Mr. OVERTON. The Senator from California understands the situation about as well as I do. I think he may take a great deal of comfort out of what the situation will probably develop.

Mr. SHIPSTEAD. Mr. President, will the Senator from Massachusetts yield to enable me to ask a question of the Senator from Louisiana?

The ACTING PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Minnesota?

Mr. WALSH of Massachusetts. I yield to the Senator from Minnesota, although when I first yielded I did not expect another subject to be substituted for the matter before the Senate.

Mr. OVERTON. I simply wanted to make a statement and I am very grateful to the Senator from Massachusetts. I do not desire to take up any more of his time.

Mr. SHIPSTEAD. Mr. President, will the Senator from Louisiana listen to just one question? I should like to know if the Senator can give us any assurance that hearings will be held on the bill that deals with the St. Lawrence waterway. How soon can the Senator assure us that we will have a hearing on that bill before his committee?

Mr. OVERTON. Certainly a hearing will be held on the St. Lawrence seaway project.

Mr. SHIPSTEAD. I have been waiting for it for some months.

Mr. OVERTON. If the Senator from Massachusetts will pardon me for a moment, I shall make an explanation that, I hope, will silence any veiled criticism contained in the observation of the Senator from Minnesota. I happen to be chairman of the subcommittee dealing with the St. Lawrence seaway.

Mr. WALSH of Massachusetts. Inasmuch as the Senator from Louisiana was asked a question, out of courtesy I yield to him, but I do not want to yield for a prolonged discussion.

Mr. OVERTON. I shall not ask the Senator to yield again. I simply wish to make a brief statement about the river and harbor and flood control and St. Lawrence seaway bills. The St. Lawrence seaway bill was introduced by the Senator from Vermont [Mr. Aiken] on

September 28, 1943. It lay in the committee, and not a single department or agency of the Federal Government submitted a report on it. In the course of time I was selected as chairman to conduct the hearings on the St. Lawrence seaway bill. Weekly I would telephone to ascertain whether any report had come in from any of the departments or agencies. I was told that none had come in. As Senators well know, we do not hold hearings on a bill until we have a report from the agencies and departments involved. In the meantime the House passed a river-and-harbor bill and sent it to the Senate. I was made chairman of the subcommittee handling that bill, and out of courtesy to the House of Representatives, and because the river-and-harbor bill involved a great many more projects than the St. Lawrence seaway bill, and in the absence of the reports I directed that a hearing be held on the river-and-harbor bill. We began the hearings on the river and harbor bill on April 25 and continued them straight through until May 18. In the meantime the flood-control bill came to the Senate.

Now, all of a sudden there is a revival of interest in the old, dead St. Lawrence seaway project. I say "dead," because it has been pending here for many years without being acted upon favorably. All of a sudden the departments and agencies begin to submit their reports. The reports are in, and the time will be opportune as soon as we can reach it to dispose of the St. Lawrence seaway by conducting the hearings. But certainly the river-and-harbor bill and the flood-control bill, under the circumstances I have mentioned, have precedence over the St. Lawrence seaway.

I thank the Senator from Massachusetts for yielding to me.

Mr. AIKEN and Mr. HATCH addressed the Chair.

The ACTING PRESIDENT pro tempore. Does the Senator from Massachusetts yield; and if so, to whom?

Mr. WALSH of Massachusetts. The Senator from Vermont says he would like to ask a question of the Senator from Louisiana, and I yield to the Senator from Vermont. Then I shall yield to the Senator from New Mexico.

Mr. AIKEN. I thank the Senator from Massachusetts. I wish to ask the Senator from Louisiana if he can give us an approximate date when hearings on the St. Lawrence seaway project will be held.

Mr. OVERTON. I really cannot, because I cannot give an approximate date when the river and harbor bill will come up or an approximate date when the flood-control bill will come up.

Mr. AIKEN. Does the Senator mean that he does not intend to hold hearings on the St. Lawrence seaway until after the river and harbor and flood-control bills are disposed of?

Mr. OVERTON. I would not say that at all. I have not finished the hearings on the flood-control bill. There is one committee to which three bills have been referred, and three important bills of this character cannot be disposed of simultaneously by one committee.

I am not going to hold hearings during the recess of the Congress on the St. Lawrence seaway or on any other bill; but when we return from the recess, if I am not so occupied on the floor handling the river and harbor bill and the flood-control bill as to make it impossible, I shall be very glad to conduct hearings on the St. Lawrence seaway bill.

Mr. AIKEN. I gather no assurance whatsoever from the remarks of the Senator from Louisiana that there will be hearings on the St. Lawrence seaway bill in time to obtain any action at the present session of Congress.

Mr. OVERTON. The difficulty is that the Senator wants to pin me down to a certain, definite date, and I regret that I cannot give him that date.

Mr. AIKEN. Therefore, I wish to say that the advocates of the St. Lawrence seaway believe that the present session of the Congress should have an opportunity to vote upon that greatest of all developments on the whole North American continent. It is the purpose of some of my colleagues and myself to propose the St. Lawrence project as an amendment to the river and harbor bill, if it appears that there will be no assurance of having an opportunity to vote upon it on its own merits. We would prefer not to do it. We realize it would take considerable time of the Senate, probably a week or 10 days, in order to present the testimony which should be presented in the committee hearings; but, nevertheless, if there appears to be no other way by which we can obtain a vote on this proposed development—a development which has been requested by the President, by the Secretary of State, by the Secretary of War, by virtually all other department heads, by the Governors of many of the States, and by many people throughout the country—it will have to be offered as an amendment to the river and harbor bill. What the result will be, no one can predict at this time.

STATEMENT OF POSITION BY PRESIDENTIAL CANDIDATES—EDITORIAL COMMENT ON SENATOR LUCAS

Mr. HATCH. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from New Mexico?

Mr. WALSH of Massachusetts. We have been talking about water. I should like to talk about oil; but I yield to the Senator from New Mexico.

Mr. HATCH. First, I wish to thank the Senator from Massachusetts for his tolerance and his kindness and to promise him that presently I shall ask him a question about the bill he desires to have considered. Before I do that, however, I wish to say that this morning on the convening of the Senate I was greatly impressed by the remarks made by the distinguished chairman of the Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY], and also the reply which was made by the able and distinguished Senator from Michigan [Mr. VANDENBERG], because throughout their remarks there was carried the thought that the issues of this day were tremendous, they were mighty, they

transcended partisan differences. Mr. President, that was what impressed me, for the issues of today are tremendous, they are mighty, and they do transcend partisan differences. I hope fervently that the thought expressed here this morning from both sides of the Chamber will be carried out.

I have been thinking, since the remarks to which I have referred were made, of an article which appeared in this morning's newspaper, written by one who was once a candidate for nomination as President on the Republican ticket, Mr. Wilkie. My thought in that connection is that Mr. Wilkie is writing a series of articles for a platform of the Republican Party.

Unfortunately, Mr. President, Mr. Wilkie is not now the "general" of the Republican Party. I almost wish he were. I wish that a great party, as the Republican Party has been—and I use the past tense advisedly—had a candidate for President who would forthrightly state his position, as men in the Senate have done this day. This is not the time for men to conceal their thoughts; it is not the time for men to seek nomination for high office on principles they do not believe in or do not express.

From a purely partisan standpoint, I have no interest in what the probable nominee of the Republican Party will say as to his views on international or domestic problems; but as an American citizen I am entitled to know what any man who aspires to the high office of President believes on any question, international or domestic.

Mr. President, presently I shall discuss this question further, I hope before this week shall end, because, in my opinion, the American people have a right to know what men stand for in this day, this hour, and at this time. But just now I happened to see—and this is what gave rise to these remarks—an editorial which appeared in the Peoria Journal-Transcript, which is an independent Republican newspaper. The editorial deals with the qualification of one of our colleagues in the Senate for reelection to office, namely, the Honorable SCOTT LUCAS. I ask that the editorial be printed in the RECORD as a part of my remarks.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SCOTT LUCAS

Down-State Illinois, particularly the Peoria area, has a big investment in Senator SCOTT W. LUCAS, senior Senator from this State. He knows the problems of this portion of the Commonwealth. He has been active in securing legislation beneficial to persons residing in the Illinois River Valley—particularly those who have an interest in bottomlands in drainage districts threatened by floods. He did much to make Peoria's municipal airport a reality.

In the face of this record, the people of central Illinois—whether Republicans or Democrats—will do well to consider his present bid for reelection. His own party thought enough of him not to run anybody against him, despite the fact he has not been slavishly committed to all New Deal policies. His record in American Legion affairs endears him to veterans of Illinois and his energetic spon-

sorship of a measure to assure the soldiers of this State of a chance to vote—whether the technique he proposed was wise or not—reveals his patriotic concern for their rights and privileges.

Illinois has been well served in the Upper Chamber of the National Legislature by the man from Havana. As an independent newspaper, the Journal-Transcript commends his candidacy, even to Republican voters of this State.

PROCUREMENT OF OIL FOR THE NATIONAL DEFENSE

The Senate resumed the consideration of the bill (H. R. 4771) to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves.

Mr. HATCH. Mr. President, will the Senator from Massachusetts yield further to me?

Mr. WALSH of Massachusetts. I yield.

Mr. HATCH. Mr. President, as I stated before, I think this time, this day and hour, demand that men speak out forthrightly and candidly on their views and their convictions, if they have any, and the American public, the people of this Nation, are entitled to know what they believe.

I promised the Senator from Massachusetts that I would ask him a question about the bill which he is now proposing to ask the Senate to vote upon. I have tried to read the report of the committee hurriedly—

Mr. WALSH of Massachusetts. I intend to make a statement about the bill.

Mr. HATCH. It has been impossible for me to read the entire report and the proposed contract. I have noticed that in the report it is stated that the Department of Justice, the Department of the Interior, the Office of the Petroleum Administrator, all the agencies dealing with this particular problem, have approved the particular bill of which the Senator is in charge. Is that correct?

Mr. WALSH of Massachusetts. That is correct. The Senator might also add the House of Representatives.

Mr. HATCH. Manifestly it has been impossible for me to read the report today.

Mr. WALSH of Massachusetts. Mr. President, the subject of naval petroleum reserves is one so large that I ask the indulgence of the Senate while I very concisely and briefly explain the purpose of the pending legislative proposal.

Mr. President, the United States Government possesses, under the jurisdiction of the Navy Department, four petroleum reserves, first, Elk Hills, Calif., known as reserve No. 1; second, Buena Vista Hills, in California, known as reserve No. 2; third, the Teapot Dome, in Wyoming, known as reserve No. 3; and, fourth, a reserve near Point Barrow, Alaska, known as reserve No. 4. In addition, the United States Government owns three oil-shale reserves.

The pending bill affects all these petroleum reserves remotely, but applies in particular to the Naval Petroleum Reserve No. 1, Elk Hills, in California.

The Elk Hills reserve is owned in part by the United States Government and in part by the Standard Oil Co. of California. The estimated percentage of ownership of the oil in this reserve is approximately 64 percent by the United States, and 36 percent by the Standard Oil Co. of California.

The act of 1938 permits the United States Government to condemn or purchase lands within this reserve which are not owned by it, provided satisfactory arrangements cannot be made with the owners to retain the oil in the ground. The purpose of the act of 1938 was primarily to conserve all the oil in the naval reserves. All privately owned lands within the reserve are owned or leased by the Standard Oil Co. of California. In addition, the Second War Powers Act of 1942 undoubtedly gives authority to the United States Government to institute condemnation proceedings against the lands owned by the Standard Oil Co. of California. The general policy of our Government, and all laws dealing with this subject, is to conserve all petroleum products in the various reserves in the ground. Up to 1942 the Standard Oil Co. of California had refrained from producing petroleum from that portion of this reserve which they owned. The act of 1938 authorized the Navy Department to drill wells for the purpose of determining whether there was any seepage from the portion owned by the United States Government into the area controlled by the Standard Oil Co. Up to this time the Standard Oil Co. was extracting negligible quantities of oil. The digging of these wells disclosed that the Standard Oil Co. and the United States Government were joint owners of the oil in one reservoir under the grounds owned by the Government and the Standard Oil Co. of California.

Up to this time no major problem regarding the conservation of oil confronted the Navy Department because the Standard Oil Co. of California made satisfactory arrangements with our Government looking toward conserving whatever oil they had in this reserve. Early in 1942 the Standard Oil Co. served notice on the Navy Department that they desired to extract more oil for war purposes from that area of the reserves which they controlled. This led our Government and the Standard Oil Co. to enter into a contract providing for the extraction of 15,000 barrels of oil per day from this reserve by the Standard Oil Co., but not in excess of twenty-seven and one-half million barrels over a 5-year period. All the oil extracted was to be charged to the 36 percent ownership that the Standard Oil Co. of California had in the reserve. The Department of Justice ruled that this contract was in excess of any legal authority granted in any previous acts of the Congress dealing with oil reserves. The act of 1938 was held to deal with the purpose of conserving oil in the ground or the right to condemn or purchase the oil of the Standard Oil Co. and not to include the production of oil for other than conservation purposes. In other words, the Department of Justice held

there was no authority for the Navy Department to enter into contract with the Standard Oil Co. providing for the extraction of a part of Standard's Oil.

By mutual agreement the original contract was canceled and a recission and temporary contract was entered into on September 8, 1943 between the Navy Department and the Standard Oil Co. of California, which permitted the extraction of the amount of oil in the original contract, namely, 15,000 barrels per day in the contract held void. This temporary arrangement was continued from time to time and is now about to be terminated, and it is for this reason that legislation on this subject is desirable at this time. In fact, the termination period expired early in June.

The present bill does two things: First, it authorizes the production of oil from Elk Hills whenever production is required for the national defense; and, secondly, it enlarges the Navy Department's power to protect its reserve against drainage. The reason for legislation permitting the extraction of oil at this time is due to the pressing need for oil to supply our war activities in the Pacific. The Joint Chiefs of Staff have communicated with both the House and Senate Naval Affairs Committees, impressing upon them the importance of obtaining oil from these reserves as speedily as possible. The letter from the Navy Department and the information which they presented to the committees on this subject is secret, but it is clear from the information received by the committees that Elk Hill's reserve is the only known source of crude oil so located as to make its production available in time to meet Pacific coast naval and military requirements. While oil exists in other parts of the United States, it is not the kind of oil that is needed by processing plants located on the west coast.

In authorizing the Navy Department to enter into a unit plan of operation, this bill recognizes the same relative percentage of ownership that experts have agreed was fair and just.

The bill authorizes the Navy Department to make a contract to extract 65,000 barrels of oil per day instead of 15,000. That is the amount requested by the Navy Department. The joint resolution, which is on the calendar, and which it is necessary to have adopted, which authorizes this increase from 15,000 barrels to 65,000 barrels, provides that not more than a total of 30,000,000 barrels of petroleum may be extracted, and the bill itself requires the Navy Department to cease operations and conserve the oil in the ground as soon as the present emergency requirements for oil cease.

The bill emphasizes the policy of conservation, and places the responsibility upon the Secretary of the Navy to extract only that amount of oil that he, with the approval of the President, finds to be absolutely essential for war purposes.

The essential features of the proposed contract which the bill authorizes the Navy to enter into are as follows:

First. The amount of petroleum and the times when it may be produced from Elk Hills for the national defense will be

determined by the Secretary of the Navy. Such determination, before becoming effective—and this is important—shall be authorized by a joint resolution of the Congress. That is why, following the enactment of this bill, a joint resolution will be presented.

Second. The Navy's share of the oil produced from the reserve is to be offered for sale to the highest qualified bidder for refining. This is necessary because the oil cannot be used by the Navy in its present crude state, and the Navy has no facilities for refining it.

Third. The money received from the sale of such oil shall be deposited in the Treasury of the United States as miscellaneous receipts.

Fourth. All expenses incurred by the Navy shall be borne out of funds appropriated by the Congress.

So Congress will have continuous control over the operations through its power to appropriate whatever money is to be spent in the future.

Fifth. When crude oil from the reserves is no longer required for the war effort, the Secretary of the Navy is directed to suspend production, except to the extent that the production of oil may be allowed to provide compensation to the Standard Oil Co. of California in such amount as is necessary to avoid damage to the field and permit production of enough oil to compensate it for its expenses and to compensate it for placing its lands under the exclusive jurisdiction of the Navy Department. There are other stipulations that it is not necessary to enumerate now.

The bill provides that no lease of any portion of the naval petroleum reserve, no contract to alienate the use, control, or possession thereof from the United States, no contract to sell the oil and gas products thereof, no contract for conservation or for compensation for estimated drainage, and no exchange of any land, shall become effective, nor shall any condemnation proceedings be instituted until after consultation in regard to all its details with the Naval Affairs Committees of the Congress, and after approval by the President.

This is an entirely new departure in our legislative policy. I wish to repeat that statement, because it is very important.

The bill provides that no leases of any portion of the naval petroleum reserve, no contract to alienate the use, control, or possession thereof from the United States, no contract to sell the oil and gas products thereof, no contract for conservation or for compensation for estimated drainage, and no exchange of any land, shall become effective, nor shall any condemnation proceedings be instituted until after consultation in regard to all details with the Naval Affairs Committees of the Congress, and after approval by the President.

It provides that the Secretary of the Navy shall annually report to the Congress all agreements entered into under authority granted by the act.

A feature in the bill which requires some explanation, and which was the only thing about which there was any

controversy so far as the committee has been informed, is contained on page 9. It reads as follows:

In the event of the inability of the Secretary of the Navy to make arrangements he finds satisfactory for exchanges of land or agreements for conservation as authorized under the preceding paragraph of this act, or for contracts for joint, unit, or other cooperative plans with respect to lands or leases authorized under the first paragraph of this act, he is hereby authorized, with the approval of the President, to acquire such privately owned lands or leases (a) within the reserves or outside thereof but on the same geologic structure, by purchase—

It will be noted that he is authorized to acquire private lands on all oil reserves or outside thereof but on the same geologic structure, by purchase—

and (b) within Naval Petroleum Reserve No. 1 by condemnation, and (c) outside Naval Petroleum Reserve No. 1 but on the same geologic structure, provided that substantial drainage exists, by condemnation.

This provision was somewhat controverted because of a fear that the Department might seek to condemn holdings of privately owned companies outside the naval reserve, so the Naval Affairs Committee of the Senate—and afterward the House accepted the amendment—provided that "substantial" drainage must exist.

The necessity of granting authority to condemn lands outside reserve No. 1 is due to the fact that there is some evidence that property adjoining this reserve and leased by a company other than the Standard Oil Co. of California may be draining oil from this reserve.

For the information of the Senate, I will say that there is what is known as an upper reservoir and a lower or deeper reservoir in this reserve. All the operations now on the part of the Standard Oil Co. and the United States Government relate to oil being extracted from the upper chamber or level. Owners of private lands adjoining this reserve are extracting oil from the lower level, and it is not known whether or not that lower level or reservoir will drain oil from the lower level or reservoir owned by the United States Government and the Standard Oil Co. in reservation No. 1. This is a bill to conserve oil and not use it except under the emergency of national defense. It also seeks to prevent the loss of the oil in these reservoirs by seepage; accordingly seepage must be shown, and the approval of the President must be had. The proposal must be submitted to the Naval Affairs Committees of the Senate and House, and there must be substantial drainage, rather than mere leakage, in order to justify condemnation proceedings. At the present time the company outside the reserve is operating on land adjoining Naval Petroleum Reserve No. 1, and is extracting oil from what I have referred to as the lower level, or the Stevens zone. This lower level has not yet been explored adequately by the United States Government, and it is possible that the Navy's oil from the lower level is being drained off by this company's operations. Condemnation proceedings can-

not be proceeded with unless it is first demonstrated that substantial drainage exists from the naval petroleum reserve into this oil field.

As has been indicated, this bill meets with the approval of the Navy Department, the Department of the Interior, the Department of Justice, the Petroleum Administrator for War, the Bureau of the Budget, and the Naval Affairs Committees of both Houses. The bill has already passed the House. The bill which is now before the Senate is one which was passed by the House of Representatives, and contains all the amendments suggested by the Naval Affairs Committee of the Senate. Therefore I am seeking action on the House bill rather than the bill reported by the Senate committee, because the House has already acted, and the House bill contains the amendments suggested by the Senate committee.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. WALSH of Massachusetts. I yield.

Mr. VANDENBERG. Is the Senate Naval Affairs Committee unanimous on the subject?

Mr. WALSH of Massachusetts. Yes. The committee realizes the importance of the subject. There has been some sentiment in the committee—more in the House than in the Senate Naval Affairs Committee, where the matter was first considered—in favor of condemnation proceedings in taking over the Standard Oil holdings. At first blush I was disposed to favor that course, so that the whole reserve would belong to the United States. But various difficulties arose, the principal one being that no one knew what price should be paid for those holdings.

So it seemed to be necessary to make what has been attempted, namely, a unit contract whereby all the oil produced is divided between the Government and the Standard Oil Co. on the basis of a careful engineering determination of the amounts of oil underlying their respective lands. Those percentages are now estimated at 64 percent for Navy and 36 percent for Standard.

Mr. MOORE rose.

Mr. WALSH of Massachusetts. I yield to the Senator from Oklahoma.

Mr. MOORE. Mr. President, I should like to ask the Senator about the condemnation proceedings. I do not know whether I understand exactly what that procedure is.

Mr. WALSH of Massachusetts. Under existing law, the law of 1938, the right and authority now exists in the Navy Department to condemn the holdings of the Standard Oil Co., which are the only private holdings, in Naval Reserve No. 1.

Mr. MOORE. That is within the reserves, is it?

Mr. WALSH of Massachusetts. Yes.

That can be done under existing law. It also can be done by the President, under the Second General War Powers Act, not only as to that reserve but as to any

reserve, provided the national defense requires it.

This bill retains the present law, but states that when there is discovered a seepage from the reservoir of petroleum owned by the United States Government into a reservoir owned by private interests, outside the reserve but in the same geologic structure, if the President approves and if the Senate committees and House committees are informed, the condemnation proceedings may be undertaken.

Mr. MOORE. That would give an opportunity to show whether there was or was not substantial seepage; would it?

Mr. WALSH of Massachusetts. Yes; it would give full opportunity.

Are there any other questions, Mr. President.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. Certainly.

Mr. DANAHER. I do not see anywhere in the bill an identification of the area which is referred to as Naval Petroleum Reserve No. 1. Therefore, I wonder if we would not be well advised to delineate Naval Petroleum Reserve No. 1 as it appeared on a map bearing a given number and a given date, such as the exhibit which is fastened on the wall behind the Senator at the present moment.

Mr. WALSH of Massachusetts. Naval Reserve No. 1 exists by Executive order, not by reason of legislation.

Mr. DANAHER. If it exists by Executive order, that is all the more reason why it should be specifically delineated, for it then is subject to change by Executive order. If it exists by Executive order, it is subject to change by similar Executive order. That is all the more reason why we should identify it as a given area, such as one shown on the map directly behind the Senator.

Mr. WALSH of Massachusetts. It is identified on a map.

Mr. DANAHER. Yes; but it is not identified by statute as a given area. It does not say it is in Kern County, Calif., or Seward County, Kans. It does not say where it is located. Consequently, if an Executive order has established reserve No. 1, another Executive order can expand or contract Reserve No. 1.

Mr. WALSH of Massachusetts. Reserves Nos. 1, 2, 3, and 4 are well known and defined.

Mr. DANAHER. They are well known to whom?

Mr. WALSH of Massachusetts. They are well known and defined by reason of Executive order of the President. Their boundaries, acreage, extent, and size are well known.

Mr. DANAHER. Let me ask the Senator a question. If we are by statute authorizing action with reference to the oil in these reserves—and certainly there have been scandals and contract terminations and cancellations; in fact, great furor has been created at one time or another with reference to these reserves—would we not be wise to identify Naval Reserve No. 1 as the reserve defined pur-

suant to Executive Order 8950, or whatever the number of the order may be, so that at least we shall know what we are talking about 2 years from now, and shall know that we are talking about a certain specific area?

Mr. WALSH of Massachusetts. Of course, Mr. President, the original bill which was introduced at the request of the Navy Department has been modified and changed. A new bill was written. But the pending bill has been subjected to the scrutiny of the Department of Justice, the Legal Department of the Navy Department, and the legislative reference bureaus of the House and the Senate. The bill is drawn with the intention and purpose of making it clear what oil reserves are referred to in this bill.

Let me read to the Senate from the committee report with reference to reserve No. 1:

1. Reserve No. 1 (Elk Hills). On June 25, 1912, the Secretary of the Navy asked the Secretary of the Interior for the latter's cooperation in securing the reservation for the Navy of oil-bearing public lands in California sufficient to insure a supply of 500,000,000 barrels. In response to this request the Geological Survey recommended an area of 38,072.71 acres in the Elk Hills, Kern County, Calif. Accordingly, President Taft issued an Executive order, dated September 2, 1912, creating Naval Petroleum Reserve No. 1. Of the area lying within the boundaries of the reserve, as so constituted, 12,103.09 acres appeared to be legally patented to private owners and the balance, 25,969.62 acres, remained in the ownership of the Government.

At the time this reserve was actually set aside for the Navy, no actual discoveries of oil by drilling had yet been made, and the selection of the area had mainly been founded upon general knowledge of its geology. No one knew with any degree of exactitude whether it contained more or less than the 500,000,000 barrels which the Navy had requested.

That is the information the committee has in regard to reserve No. 1.

The proposed contract which the bill authorizes covers and relates to the following:

(1) This contract covers and relates to all of the lands lying within the boundaries of Naval Petroleum Reserve No. 1, located in Kern County, Calif. (hereinafter referred to as the "reserve"), comprising 43,815 acres, more or less, and indicated by the area embraced within the heavy black line on the map attached hereto, marked "Exhibit A" and hereby made a part hereof.

So it will be fully described in the contract.

Mr. DANAHER. Mr. President, will the Senator yield further?

Mr. WALSH of Massachusetts. Certainly.

Mr. DANAHER. To say that this particular tract is described in a contract is no answer whatever, I respectfully submit. This bill would authorize some contract to be executed, not the contract to which the Senator has referred, and which he has cited as appearing in the committee report.

What I am getting at is the fact that we are going to authorize the Secretary of the Navy to take possession of all properties within such naval petroleum reserves as are or may become subject

to control and use by the United States for naval purposes, and then to deal with certain specific reserves. We should, as a matter of statute, say that when we talk about Naval Petroleum Reserve No. 1, we mean as it appears on a map revised to May 21, 1944, and entitled "Well Map of Naval Petroleum Reserve No. 1, Kern County, Calif.," and we should otherwise identify it as it has been bounded and described in an Executive order of a given date, bearing a given number, and having an amendment, if there be an amendment to that Executive order.

If we then specifically by statute make reference to that particular area, that is the area with which we are authorizing the Secretary of the Navy to deal.

I ask the Senator from Massachusetts if he does not agree with me that in the interest of accurate legislation we should identify the area.

Mr. WALSH of Massachusetts. I certainly do not.

Mr. DANAHER. Then, let me ask the Senator what is the reason why we should not.

Mr. WALSH of Massachusetts. I think the bill amply provides for the conservation of oil in this reserve, and gives authority to the Navy Department to make the contract which it is absolutely necessary for it to make if it is to obtain the oil from that reserve. Furthermore, the contract which will be made, and which will be submitted by the Navy Department to the committees of the House and Senate, specifies and defines reserve No. 1 which is referred to in the bill. From what the Senator says, he would have the bill employ elaborate phraseology in explaining the boundaries of reserve No. 1. Is that not correct?

Mr. DANAHER. No; but from what the Senator has said I do not believe that the area is well defined.

Mr. WALSH of Massachusetts. It has been defined by a Presidential order, and known since 1912 as reserve No. 1, and other reserves as reserve No. 2, reserve No. 3, and reserve No. 4.

Mr. DANAHER. Was the Executive order of 1912 ever amended by a later Executive order?

Mr. WALSH of Massachusetts. Not that I know of.

Mr. DANAHER. I repeat the question, Mr. President. Has the Senator any further information?

Mr. WALSH of Massachusetts. I have no further information.

Mr. DANAHER. It is my understanding that the original Executive order was later amended by another Executive order. But whether it was or was not, the fact remains that if the President had the power, through an Executive order, to define reserve No. 1, he has the power to amend it, has he not?

Mr. WALSH of Massachusetts. He certainly has.

Mr. DANAHER. And therefore, he may enlarge the authorization beyond anything contained in this bill.

Mr. WALSH of Massachusetts. There is nothing in this bill which would prevent the payment of compensation for

any oil which might be taken by the Government. If I had my way I would provide even greater authority to condemn and take over oil lands than it is proposed to grant by this bill. So if reserve No. 1 is not accurately defined, and if there were a seepage of oil from any Government reservoirs into the reservoirs of private owners, I would have them condemned, taken over, and paid for by the Government.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. WILEY. On page 24 of the report of the Senate Committee on Naval Affairs it will be noted that on October 15, 1942, President Roosevelt signed an Executive order enlarging the limits of the reserve to the east. I read the language contained in the report:

On October 15, 1942, President Roosevelt signed an Executive order enlarging the limits of the reserve to the east to include the balance of the known geologic structure of the shallow oil zone. This enlargement brought within the boundaries of the reserve three additional producing sections of land owned by Standard, a half section owned by Kern County Land Co., and being produced by Standard as lessee.

Perhaps that refers to reserve No. 3.

Mr. WALSH of Massachusetts. That recalls to my mind the fact that there were some private owners in addition to the Standard Oil Co. who had small holdings against which the Government instituted condemnation proceedings. It was necessary for the President to enlarge reserve No. 1 in order to obtain authority to condemn those holdings and thereby prevent leakage.

Mr. DANAHER and Mr. LUCAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield and, if so, to whom?

Mr. WALSH of Massachusetts. I yield to the Senator from Connecticut.

Mr. DANAHER. I assume that the comment of the Senator from Wisconsin has refreshed the recollection of the Senator from Massachusetts on the fact that the Executive order of 1912 was amended by another Executive order in 1942. Am I correct?

Mr. WALSH of Massachusetts. The Senator is correct. If the Senator had asked me if there had been takings other than by the Standard Oil Co. in the area to which reference has been made, I would have said "Yes." I understand the reason for the Executive order was that there were small holdings adjoining the original reservation, where there was seepage of oil, and the President modified his original Executive order to include the new area.

Mr. DANAHER. Mr. President, will the Senator yield further to me?

Mr. WALSH of Massachusetts. I am glad to yield.

Mr. DANAHER. Beginning near the bottom of page 6 of the bill we find the following language:

He—

Meaning the Secretary of the Navy— is hereby authorized, with the approval of the President, to acquire such privately owned land or leases (a) within the reserves

or outside thereof but on the same geologic structure, by purchase—

I digress there in order to point out that not a single word appears in the first authorization with reference to condemnation. Quite the contrary, either within the reserve as defined or outside the reserve as defined, if it be on the same geologic structure, the Secretary of the Navy would be given authority, subject only to the approval of the President, to purchase, and that would mean at any price upon which he might choose to agree. I wish to ask the Senator from Massachusetts if after the word "purchase" there ought not to be inserted the words "or by condemnation."

Mr. WALSH of Massachusetts. The President of the United States has authority under act of June 30, 1938, to condemn all holdings of the Standard Oil Co. or to purchase them, whichever he chooses to do. They would have been purchased if it had been possible to reach an agreement upon the price. The price of the holdings of the Standard Oil Co. was estimated at various sums, ranging from \$40,000,000 to more than \$200,000,000. So it was thought to be such a gamble that the wise and sensible thing to do would be to make a unit agreement with the company. The authority to condemn or to purchase already exists. If the Senator will read further in the bill he will find that it contains authority to condemn outside the reserves when certain factors exist, such as seepage.

Mr. DANAHER. Will the Senator further yield to me?

Mr. WALSH of Massachusetts. I yield.

Mr. DANAHER. From a reading of the bill it is clear that the language near the top of page 7 provides for three different classes of authorization to be established. I again read the language. It says:

The Secretary of the Navy * * * is hereby authorized, with the approval of the President, to acquire such privately owned lands or leases (a) within the reserves or outside thereof but on the same geologic structure, by purchase.

Mr. WALSH of Massachusetts. Yes.

Mr. DANAHER. That means that if the property is acquired by purchase it is because there is a meeting of the minds. It is because the seller says in effect, "You are paying me as much money as I want for the property, even though it is twice as much as I ought to receive for it, and I am glad to sell it to you." That is how a purchase may be made.

Mr. WALSH of Massachusetts. The property may be acquired first, by purchase; second, by condemnation—

Mr. DANAHER. Allow me to point out to the Senator that the language in subdivision (a) applies to reserves "outside thereof." But in the matter of acquisition, different methods are applied, the language reading, "within Naval Petroleum Reserve No. 1 by condemnation." Nothing is said about Naval Reserve No. 2, or Naval Reserve No. 3. Even in the third class the language is that if the property be "outside Naval Petroleum Reserve No. 1, but on the

same geologic structure, provided that substantial draining exists, by condemnation." So as to two classes of property, there would be condemnation. As to one class the owner is allowed to set his own price, and the Government would acquire by purchase. I respectfully submit to the Senator from Massachusetts that if we define what we mean, and put in the words "or condemnation," after an owner had demanded an inordinate price for his property, condemnation could follow. Is that not a reasonable request to make?

Mr. WALSH of Massachusetts. I should like to invite the Senator's attention to the fact that the language preceded by (a) applies to every reservation, not only to reservation No. 1, but to the three other reservations. The President could purchase adjoining land, or land within any reservation. With reference to reservation No. 1, he could condemn, and with respect to a reservation outside No. 1, he could condemn it for seepage. Purchase may be made for the purpose of conserving oil within any of the four reservations if Congress appropriates the money.

With reference to reservation No. 1, it can be condemned because we now know that seepage exists in that area, and with reference to holdings outside, after proper scientific investigation has been made, it may be discovered that seepage exists there, and under those circumstances the language of the bill is clear.

It is regrettable that the Senator was not a member of the Naval Affairs Committee. I am sure he could have been very helpful to us in discussing and drafting a bill on this important subject.

Mr. DANAHER. Mr. President, if the Senator should like to have me as a member of the Naval Affairs Committee in order to help him, I may say that I shall be glad to be a member of the committee in another term, but not now.

Mr. WALSH of Massachusetts. The Senator has evidently found difficulties in the bill which none of the members of the committee discovered.

Mr. DANAHER. Is there any difficulty about the Senator from Massachusetts answering reasonable questions about the bill?

Mr. WALSH of Massachusetts. Certainly not.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. HATCH. I may say that I have been confronted with some of the same difficulties that have been mentioned by the Senator from Connecticut. I do not wish him to think he stands alone.

Mr. DANAHER. I thank the Senator from New Mexico. I have very great respect for his ability.

Mr. WALSH of Massachusetts. No difficulties were presented to our committee except with reference to the language under (c), and those difficulties were suggested by private owners who may now be extracting oil from the properties of the Government of the United States. They protested against giving the power of condemnation in those cases to the Government. No question was raised as to anything else.

Mr. HATCH. Mr. President, will the Senator further yield to me?

Mr. WALSH of Massachusetts. I yield.

Mr. HATCH. I merely wished to observe, Mr. President, as I started to observe earlier in the day, that this question, which relates to the oil reserves of the Navy in the Elk Hills region, has been before the country for many years. It is one which was primarily before the Committee on Public Lands. Unfortunately that committee had no opportunity to study this particular bill. That committee does have considerable to do with the leasing of oil on the public domain, concerning which there are many rules and regulations and laws. Today for the first time the chairman of the committee picked up the report of the committee on the pending bill. The report contains 26 pages, including a very complicated form of contract. It is manifestly impossible for me to read the report and study the contract and to know what it contains. I did take considerable interest in the matters which the Senator from Connecticut has been discussing concerning the right of the Government to condemn private land. I have had no opportunity to study the matter, and I really do not know exactly what the import of the bill is.

Mr. WALSH of Massachusetts. Fifteen of the Senator's colleagues on the Senate committee, representing both political parties, and 25 Members of the House on the committee of that body, have studied it, and I think the Senator recognizes the fact that they are as keenly interested in serving the public interest in a bill of this kind as those who are not on the committee.

Mr. HATCH. There can be no question about that, and I should certainly raise none.

Mr. WALSH of Massachusetts. The Senator referred to the report being long. I presume it could have been made in one page, but my theory is that reports which are presented to accompany bills should contribute something to the interpretation of the law which is to be enacted and that they should give full and complete information on all aspects of the particular subject. There is hardly a phase of the whole oil question from the beginning in 1912 that is not set forth in the report for the information of the public and the Senate.

Mr. HATCH. Mr. President, if the Senator will yield, I did not mean to criticize the report for being long; I merely stated it was impossible for me in about a minute's time to digest the report.

Mr. WALSH of Massachusetts. The Senator's colleagues on the committee have taken the time to do so. They sat in the committee and discussed every phase and angle of the bill, and some of them are from the oil-producing States.

Mr. HATCH. I am quite sure that is the fact, and I am not raising a point about that, but I do say that it is impossible, under the circumstances, for the Senate as a whole to be familiar with this matter.

Mr. WALSH of Massachusetts. I want to say that the only opposition to this bill as heard by the committee came

from persons and interests who want to prevent the United States Government from instituting condemnation proceedings to take oil from land which adjoins the Government's oil reserves. They do not want to give the Government any definite power in the future to condemn. That is the only opposition which was presented by anybody to the committees of the House and Senate. They have been very strenuous in their opposition to the right of the Government to proceed when it discovers its oil is being extracted by private interests and dissipated, and have been trying to prevent the Government, if it sees fit to do so, from condemning and, if it cannot condemn, purchasing or making a reasonable joint contract for the conservation of the oil.

Mr. HATCH. I may say to the Senator from Massachusetts that I have tried to obtain a copy of the hearings before the Senate committee, but have not been able to do so. That was without any fault on the part of the chairman of the committee, and I do not want to criticize the Senator from Massachusetts, because he is not subject to criticism, but the hearings were not printed.

Mr. WALSH of Massachusetts. The House hearings were printed, and the Senator was given a copy of them. The Senate hearings were not printed because some of the testimony was of an executive character, and, secondly, because the Senator from Louisiana held up for correction his inquiries. That is the reason why the hearings were not printed.

Mr. HATCH. What I started to say was that I tried to find out what had been stated before the committee.

Mr. WALSH of Massachusetts. Is there any question in reference to the bill the Senator would like to have explained?

Mr. HATCH. I absolve the Senator from Massachusetts from any criticism whatever.

Mr. WALSH of Massachusetts. I understand that, and I think if there is any criticism it should be directed to a specific feature of the bill so that we can explain it rather than a general criticism that it is a condemnation bill, and it might lead to some property in the future being condemned. If I had my way I would be disposed to give the Government of the United States authority to condemn oil at any time anywhere it finds it, because, in my opinion, oil is going to be the most valuable asset the Government will have for national defense in future years. The bill is drawn with extreme care, credit for which is due not so much to my own committee as to the House committee, and it has been drawn with the purpose of making the policy of conservation of oil primary and fundamental, and also—which never happened before—of tying the hands of administrative officers and preventing them from acting without appearing before committees of Congress and obtaining their consent in the making of contracts and increasing or changing oil reserve areas.

Mr. HATCH. Mr. President, the Senator from Massachusetts very graciously

yielded. I did not want to take his time. Perhaps in my own time I should explain that I thought from the very brief moment I had to glance over the proceedings before the committee that the independent oil producers—and there is a distinction between the independents and the others—object strenuously to certain language in the bill.

Mr. WALSH of Massachusetts. There is no doubt about that, and they succeeded in the House committee and in the Senate committee in restricting this bill so that the Government cannot touch oil anywhere unless it is adjoining its own reserves, unless there is substantial seepage, and unless the President and the House and the Senate committees consent. I do not know what could be tighter.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. MOORE. As I understand—and I want to see if I am correct—the Government cannot condemn the property of private oil companies or private individuals until there is an allegation of drainage and the allegation is afforded an opportunity to be heard before the committees of Congress. Am I correct about that?

Mr. WALSH of Massachusetts. The Senator is absolutely correct. In order to make it a matter of record, I will read a memorandum which I asked the Navy Department to prepare for me as to the proper interpretation. It will take but a moment to read it:

THE EXTENSION OF THE CONDEMNATION POWER

The authority to purchase or condemn privately owned lands or leases is confined in existing law (the act of June 30, 1938), to lands or leases within the boundaries of Reserve No. 1 (Elk Hills). This power exists irrespective of whether drainage is shown.

Whether drainage is shown or not under the act of 1938, that is in reserve No. 1.

The bill amends the present paragraph 3 of the act in such manner as to enlarge the area in which the condemnation authority extends.

In the case of the authority to purchase, the bill extends it to privately owned lands or leases within any of the reserves—not merely reserve No. 1—or outside thereof, but on the same geologic structure.

In the case of the authority to condemn, the bill extends it to include privately owned lands or leases outside reserve No. 1, but on the same geologic structure provided that drainage exists. The original bill S. 1773 proposed by the Navy authorized condemnation lands lying within reserve No. 2 and outside thereof, but on the same geologic structure.

So it will be seen the bill has been narrowed by the House and Senate committees.

The Navy Department originally wanted authority to condemn regardless of whether there was seepage or not. I read further:

The amendment to the bill which had been approved by my committee contained no power to condemn within or adjoining reserve No. 2. In contrast with the purchase power, condemnation in the proposed bill relates only to reserve No. 1 and the

neighboring area, and not to any of the other reserves. Similarly, in contrast with the purchase power, condemnation, insofar as lands or leases outside the boundaries of reserve No. 1 are concerned, attaches only to those lands on the same geologic structure which do in fact drain oil from the reserve—

They must in the condemnation proceedings prove that the oil is being drained, in order to have the court condemn the property—

and not merely to those which are on the same geologic structure.

The enlargement of the purchase power is, in its impact upon the private owners or lessees affected by it, more apparent than real, inasmuch as the Navy may always endeavor to buy any property it wishes, subject always to the willingness of the owner to sell and the willingness of the Congress to appropriate moneys for the purpose. The extension of the condemnation power is, however, a matter of more consequence, and my committee, as well as the House Committee on Naval Affairs, has considered very carefully the provisions of the bill in this regard.

The Navy Department's position has been that its power must be commensurate with its responsibility for the carrying out of the congressional policy to conserve the Government's oil in the ground. Wherever that oil is subject to diminution by drainage from operations on privately owned lands or leases, it is the Navy's view—

As it is my view, and the view of the committee—

that it must be in a position to stop such drainage, by condemnation if need be. Inasmuch as the harm caused by drainage is the same irrespective of whether the drainage is to lands within or without the boundaries of the reserve, adequate protection requires that the condemnation power extend to privately owned lands or leases outside the reserve as well as inside.

That, I think, answers the Senator's question. It is very much restricted, much more than the Navy first wanted, much more than I want, and it is due largely to the pressure and influence of privately owned oil companies.

As I said before, perhaps there is an argument on that side of the question, but I feel that oil is so necessary for our future safety—and nothing is more so—that I would give all the power humanly possible to give. When there is drainage of oil, and our oil wells are being made dry, I shall not deny whatever legislation may be necessary, in the way of authority to condemn, purchase, contract, or in any other way handle the situation.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. HATCH. I was interested in what the Senator just said, and I am wondering whether, in view of that statement, he approves the present policy of the Government in restricting the drilling of wells, say one to every 40 acres.

Mr. WALSH of Massachusetts. Restricting what?

Mr. HATCH. The drilling of wells, one to every 40 acres, as is done in my State. In other words, the Government restricts the development of its own lands on the public domain in New Mexico.

Mr. WALSH of Massachusetts. I have no opinion about that, I do not know whether it is a wise policy, but I have an

opinion about the importance of whatever oil we have, wherever it may be, being kept safe, secure, uncontaminated, and not subject to loss by drainage. The chairman of the House committee and I fought long with the Navy Department against increasing the extraction of from 15,000 to 65,000 barrels daily out of these reserves, because of the apparently certain need of oil in the future. But it was to no avail. The evidence was presented to us in confidence, and secretly, as to the situation, and we were told a day might come when certain planes and certain vessels in the Pacific would not have the necessary oil. So we gave consent to this increase. I am sorry I cannot answer the Senator's question about the oil situation in his State.

Mr. HATCH. Some of the other committees have also had the confidential information to which the Senator refers. It seems passing strange to me that, on the one hand, the Government advocates a restricted policy as to drilling on its own lands, and, on the other hand, advocates, as eloquently as the Senator is doing here today, the condemning of private lands for drilling purposes.

Mr. WALSH of Massachusetts. Of course, the Government policy from the beginning has been that these reserves should never be touched until long in the future, until the supply of oil of the world and the oil of our own country was greatly diminished.

Mr. HATCH. But the Senator is proposing to touch them.

Mr. WALSH of Massachusetts. Yes; but very reluctantly, tying the hands of the Navy as they were never tied before, because they cannot take another barrel out of this reserve without coming to Congress for congressional action, and with a mandate to the Secretary of the Navy that he must close down the reserves and stop taking the oil as soon as the war is over.

Mr. DANAHER. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH of Massachusetts. Certainly.

Mr. DANAHER. Will the Senator tell me for how long a term the Secretary will be authorized to enter into leases?

Mr. WALSH of Massachusetts. No term is provided, but there is a requirement that the Secretary must consult with the committees of the House and of the Senate in regard to any change of policy he makes with respect to the oil reserves.

Mr. DANAHER. As to leases which were in existence prior to July 1, 1936, which are to terminate at the expiration of their initial 20-year periods, "the lands covered by such terminated leases may be re-leased upon such reasonable terms and conditions as the Secretary of the Navy may prescribe." Does the Senator know for how long it was contemplated that a re-lease might be made as to those leases in existence before 1936?

Mr. WALSH of Massachusetts. The section to which the Senator refers relates to the Buena Vista reserve, reserve No. 2, and the practice has been for the term to be 20 years. In my humble opinion, it will not be many more years before all the oil will be gone, and there will not

be a chance to make a re-lease for 20 years, because the oil at Buena Vista is being extracted very rapidly. Furthermore, we have only a very small ownership in reserve No. 2.

Mr. DANAHER. Is it the Senator's understanding that the pending bill is an authorization to permit future action by the Secretary of the Navy?

Mr. WALSH of Massachusetts. The bill authorizes the Secretary of the Navy to enter into a contract with the Standard Oil Co. for the purpose of determining the amount of oil that can be taken from Naval Reserve No. 1, and fixes the amount, in the joint resolution which will follow the bill, at 65,000 barrels a day, and requires that the oil taken out shall not be, as it has been in the past, all charged up to the Standard Oil Co., but shall be equally divided, based upon the percentage of ownership of the Standard Oil Co. and the United States Government; and the percentage of the United States Government being 64 percent, it will be sold to the highest bidder by the United States Government. The Secretary of the Navy has all that authority, subject to the approval of the President, and subject in every detail to the Naval Affairs Committees of the House and Senate. The committee added those words, that the Committees on Naval Affairs of the House and Senate should be informed as to what changes were to be made in the contract and in the proceedings under the authority granted by the bill.

Mr. DANAHER. Will the Senator yield further?

Mr. WALSH of Massachusetts. Certainly.

Mr. DANAHER. The reason for my inquiry was that I wanted definitely to have the Senator tell the Senate whether this was a general authorization for future action, or whether it was intended by him to bring about congressional approval of a contract which has already been drawn, or, if not, one entered into subject to the enactment of the bill. So far as I can see, we do not find the words "Standard Oil" in the entire bill, and we do not find any description of the terms, of a 65,000-barrel limitation, of conditions of the lease, or of the number of years it is to run, or any of that. If this bill is to be the basis for our approval of a specific contract, I want the Senator to tell me.

Mr. WALSH of Massachusetts. I shall be pleased to tell the Senator about that. First of all we did not have the terms of the contract placed in the bill, because the members of the Committees on Naval Affairs of the House and the Senate did not want to approve a contract. They wanted to be in a position to criticize or to condemn any contract which was made not in conformity to the authority the law granted.

What is the bill? It is an amendment of the law of 1938, and the law of 1938 gave authority to purchase or condemn all the Standard Oil possessions in Naval Reserve No. 1. Under that law the Navy Department, under the late Secretary of the Navy, proceeded to make a contract not to condemn and not to purchase, but to enter into a unit agreement

for the extraction of the oil on terms agreeable to the Navy and to the Standard Oil Co. That contract was found to be illegal by reason of the fact that there was no authority to make a contract. Now we leave the Navy in the position of purchasing or condemning the Standard Oil rights in that reservation. The bill permits the company to make a legal contract which is satisfactory to the Navy Department and the President and to the Naval Affairs Committees of Congress. Authority is provided so as to get action so that 65,000 barrels of necessary oil a day can be taken out of that reservation, and at once. It is to be noted that the Secretary of the Navy is authorized to stop producing oil after the need lapses. Without the passage of this bill the Navy must purchase and conserve and condemn this property. They can do that. Some people think they ought to do it, but, as I said before, the Navy Department and the late Secretary of the Navy thought it was the height of folly to condemn and purchase something when no human being could know how much the Government would ultimately have to pay, and therefore that it was better to make a contract, by joint arrangement, dividing the oil that was extracted.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. DANAHER. Let me thank the Senator, please, for his forbearance, because those of us who are not on the Naval Affairs Committee or on the committees which deal with the oil problem find ourselves at a loss when we have to study and examine and act upon a piece of legislation of this character. I therefore want to thank the Senator for his helpfulness.

Mr. WALSH of Massachusetts. The Senator from Connecticut has been perfectly within his rights in his questions.

Mr. DANAHER. I hoped I was, and I am glad to have my belief confirmed by the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I will say further that the Senator from Connecticut always makes a contribution to any discussion in which he takes part. Sometimes I may become a little heated, but it is not intended to show any displeasure toward my distinguished colleague.

Mr. DANAHER. I appreciate that.

Mr. WALSH of Massachusetts. It is because I want, by emphasis, to bring out the point more directly, if possible.

Mr. DANAHER. Let me ask the Senator one other question. Will the policy which the Navy will follow under the authorization represented by the proposed legislation conform with the policy of the Fuel Administrator, Mr. Ickes? Will they go along together on this whole program of conservation and development? I did not know but that there might have been some testimony adduced before the committee with respect to the matter.

Mr. WALSH of Massachusetts. There appears to be a general unity of action in this matter. That is largely due to the fact—which is why the bill is before the Senate today—that the Navy Depart-

ment has been pushing us very hard for oil, to extract oil from those reservations and increase the quantity, and even if the pending bill is passed it will be approximately a year before we obtain 65,000 barrels a day for which need is claimed. Yes, Mr. Ickes, I am informed, approves this proposed legislation.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. HATCH. In connection with what the Senator from Connecticut said, certain language struck my attention this morning when I was reading the report and trying to ascertain what the attitude of the various departments was. I found this language:

The bill was introduced at the request of the Navy Department and has been cleared by the Bureau of the Budget. The committee understands that it meets with the approval of the Department of Justice, the Department of the Interior, and the Petroleum Administrator for War.

I ask the Senator whether the committee was informed that the bill meets with the approval of the Department named?

Mr. WALSH of Massachusetts. It does. I understand Mr. Ickes approves.

Mr. HATCH. He is the head of the Department of the Interior and speaks for it, and is the Petroleum Administrator for War. Has it also the approval of the Department of Justice?

Mr. WALSH of Massachusetts. All these officials were represented in the committee hearings.

Mr. HATCH. And they all approve the bill?

Mr. WALSH of Massachusetts. Yes. There is no opposition to the bill anywhere that I have been able to discover, except the opposition which led to embodying in the measure the provision that there must be a "substantial" seepage rather than simply the use of the word "seepage."

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. LUCAS. As the Senator has so well explained, under the present law the Government either condemns or purchases.

Mr. WALSH of Massachusetts. Yes.

Mr. LUCAS. There is no power under the present law to make the type and kind of contract which was made by the late Secretary of the Navy, Mr. Knox?

Mr. WALSH of Massachusetts. That is true.

Mr. LUCAS. But what we are doing now by the proposed legislation is in reality confirming what the late Secretary did in the contract which was declared to be illegal. In other words, we believed that what he did was right and proper even though he did not have the power to do it, and we now by the proposed legislation are ratifying and confirming the contract which the late Secretary made through his Department.

Mr. WALSH of Massachusetts. I think the contract contemplated by the bill is an improvement by reason of time and experience and study of the problem. But the fundamental difficulty with the other contract was that it was beyond

the power given to the Navy Department in the act of 1938.

Mr. LUCAS. That is correct; it was beyond the power given in that act, but the fundamentals which guided the course of that contract are contained in the proposed legislation, with some limitations, such as coming back to the committees of Congress for more or less of approval. The only reason I make this observation is that certain antiadministration newspapers, after the Justice Department held the contract to be illegal, carried some very startling headlines with respect to it. In other words, there was no fraud, there was no chicanery, there was nothing wrong in the original contract made by the Under Secretary, with the exception that he did not have the power to make it.

Mr. WALSH of Massachusetts. Yes. Let me say this in connection with what the Senator from Illinois has said. The late Secretary of the Navy was criticized, as the Senator suggested, for failure to purchase or to condemn. His successor informed me that the late Secretary said it would be very easy for him to dispose of this knotty problem by means of purchase or condemnation, but he could not in conscience do it because it would be subjecting the Government to long litigation, to expense which no human being could determine, and that after his exhaustive study of the subject he felt that it was his duty, under his conscience, regardless of criticism, to proceed along the lines he did, and to make the contract he did.

Mr. LUCAS. That is correct. The point I wish to make is that the action of the House of Representatives and the action of the Senate, which is a confirmation of the contract which was then made, demonstrates that the late Frank Knox and those who were responsible for the contract were neither stupid nor venal in connection with the entire transaction.

Mr. WALSH of Massachusetts. They certainly were not venal and I hope not stupid.

Mr. WILEY. Mr. President, immediately after the Senate convened today I was requested by the distinguished senior Senator from Pennsylvania [Mr. Davis], ranking minority member of the Naval Affairs Committee, to make a few remarks in relation to the pending measure. I must say that I was not fortunate enough to be present in committee when the House bill was considered. I was present when the committee discussed the Senate bill. I am very happy to see that many of the items which were brought up at that time have been written into the bill. As was suggested by the distinguished Senator from Massachusetts, there was an element of protection written into the bill when we embodied in clause (c) on page 7 the provision:

"Outside Naval Petroleum Reserve Numbered 1 but on the same geologic structure provided that substantial drainage exists, by condemnation."

Note the word "substantial."

At our hearing there appeared a number of persons who were very much concerned over the Senate bill. They

thought it was the entering wedge on the part of the Government to take over and manage the oil industry. After listening to the evidence given by officials of the Navy, Members of the House, and others, I reached the conclusion that our problem was to enact a law which would, first, preserve the oil reserves which the Government owns; second, see to it that we do not open the door for the Government itself to enter further into private business; and third, see to it that those whose lands are taken over to preserve the public rights receive their constitutional protection.

As I have said, I was not present at the hearing at which the House bill was considered; but, as brought out so well by the senior Senator from Massachusetts, I believe the committee has done a very good job. When we speak of Government oil reserves, we must remember that we have Reserve No. 1, which is the Elk Hills Reserve; Reserve No. 2, Buena Vista Hills; Reserve No. 3, the famous Teapot Dome; and Reserve No. 4, which is in Alaska. Also, there are oil shale reserves. They are all mentioned on page 20 of the report submitted by the Senator from Massachusetts.

Under the act of 1938 there is authority in the Government to condemn within Reserve No. 1. I believe the Government has the power, in the War Powers Act, to condemn properties outside Reserve No. 1. In this bill we have provided limitations on the Government, and the rights of the public and its citizens are protected.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Massachusetts if the agreement between the Standard Oil Co. and the Navy Department is similar to or has any connection with the formal agreement which was discussed in the first session of this Congress, when the distinguished Senator from North Dakota [Mr. LANGER] spoke on the subject several months ago.

On June 18, 1943, the Senator from North Dakota said:

Mr. President, I wish to call the attention of the Senate to the agreement between the Standard Oil Co. of California and the Navy Department relating to certain oil-land development and to the further fact that this morning the newspapers announced that the Secretary of the Navy had canceled the agreement.

Mr. President, I deem this contract of such importance that I think every Senator should be familiar with it, and I ask unanimous consent that the agreement made and entered into between the Navy Department and the Standard Oil Co. of California be printed in the *RECORD* at the conclusion of my remarks, so that Senators themselves and the American people may see exactly how subtly the contract was drawn, and for the further reason that I expect to discuss the agreement further, very likely on Monday, and having it printed in the *RECORD* will enable Senators to follow the discussion.

Mr. WALSH of Massachusetts. As I understand, that statement was made in a speech in condemnation and criticism of the contract originally entered into between the Navy Department and the Standard Oil Co. of California, and which later was found by the Attorney

General to be null and void. This bill does not relate to that contract except to give authority for a new contract.

Mr. WHERRY. This is an authorization bill.

Mr. WALSH of Massachusetts. That is correct.

Mr. WHERRY. What I have read was from a speech against the condemnation proceedings proposed by the former Secretary of the Navy.

Mr. WALSH of Massachusetts. The Navy Department would like to have the Congress approve its contract, but our position is that the Navy Department is an administrative department and should go ahead and make its own contract. If it is not in the public interest, we can call the Navy Department to task. The easy thing for the Department to do would be to submit a contract and let us approve it; we are giving them the authority to make a contract but restricting its terms and defining its responsibilities.

Mr. WHERRY. The contract was not withdrawn because of any subtle terms in it. The question was whether to proceed under condemnation or whether the Department should seek an authorization to do what is provided for in the bill.

Mr. WALSH of Massachusetts. That is correct.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. WALSH of Massachusetts. Mr. President, the Senate bill on the same subject should be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 1773 will be indefinitely postponed.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 288, Calendar 968. That is the joint resolution referred to in my discussion of this subject, giving authority to increase the amount of oil to be taken from these reserves from 16,000 to 65,000 barrels. There is no opposition to it.

The PRESIDING OFFICER. The joint resolution will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 286) providing for operation of naval petroleum and oil-shale reserves.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

USE OF RAYON AND OTHER SYNTHETIC PRODUCTS AS SUBSTITUTES FOR COTTON AND WOOL

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, with an amendment, Senate

Resolution 291, and ask unanimous consent for its present consideration.

The resolution was submitted by the senior Senator from Alabama [Mr. BANKHEAD]. It provides for a complete study and investigation with respect to the use of rayon and other synthetic products. The resolution originally provided for an appropriation of \$10,000. The Committee to Audit and Control the Contingent Expenses of the Senate has reduced the amount to \$5,000.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 291) submitted by Mr. BANKHEAD on May 3, 1944, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment on page 2, line 18, after the word "exceed", to strike out "\$10,000" and insert in lieu thereof "\$5,000", so as to make the resolution read:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the use of rayon and other synthetic products as substitutes for cotton and wool, including the extent of the use of such synthetic products and their effect upon the Nation's economy, the cost, utility, and economy of such synthetic products, the material and manpower required for their production, and the effect of using such material and manpower for that purpose, the extent to which and terms upon which Government agencies have encouraged and financed the production of such synthetic products, and such other matters related to such products as the committee deems appropriate. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable.

For the purpose of this study and investigation, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. BARKLEY. Mr. President, may I ask the Senator from Illinois what kind of an investigation of rayon it is proposed to make?

Mr. LUCAS. The Senator from Alabama [Mr. BANKHEAD] is not present. The resolution came from the Committee on Agriculture and Forestry, and was unanimously approved by that committee. If the Senator from Kentucky desires to interrogate the Senator from Alabama with respect to it, I shall be glad to have the resolution go over until tomorrow.

Mr. BARKLEY. I do not wish to delay the matter. I assumed that the Senator knew what kind of an investigation was contemplated, and the reason for it. There is a great deal of rayon production in this country, and I suppose an investigation of what it is, what it is made of, and all that, might be valuable information—

Mr. LUCAS. The only thing the Committee to Audit and Control the Contingent Expenses of the Senate did was to reduce the amount of the appropriation from \$10,000 to \$5,000.

Mr. BARKLEY. The Senator knows that no initial appropriation is ever sufficient. There is always a request for more money.

Mr. LUCAS. I appreciate the force of what the Senator from Kentucky says with respect to investigations in general. I do not care to repeat what I have said from time to time about the divers and sundry investigations which are now in progress before various committees of the Senate; but the Senator will find a number of very able Senators who take the position that the Committee to Audit and Control the Contingent Expenses of the Senate has nothing whatever to do with any resolution which comes before it, and that the only jurisdiction of the committee is simply to say whether \$10,000, \$5,000, or any money at all is needed.

That is why I am reluctant to discuss the question. As I have said, I do not know very much about it.

Mr. BARKLEY. Let me ask whether the Senator knows if it is intended to propose legislation relating to rayon.

Mr. LUCAS. Of course.

Mr. BARKLEY. Theoretically, all resolutions of investigations are based upon the possibility that the information obtained may be valuable to the Senate in connection with future legislation.

Mr. LUCAS. Precisely so.

Mr. BARKLEY. I do not know the scope of the resolution or why it is necessary to make the investigation. I do not wish to object to it. But it seems to me it is becoming too easy for a Senator to submit a resolution, have it referred to a committee of which he is a member, and then have it reported to the Senate, without any information at all.

I do not refer particularly to the Senator from Alabama; but the custom is one which has grown up in the Senate. Any Senator who wishes to discuss some subject simply introduces a resolution to investigate it, and then the resolution is referred to a committee of which the Senator who is the author of the resolution is a member. Then it is up to the Committee to Audit and Control the Contingent Expenses of the Senate to decide the amount of money it will authorize.

Mr. LUCAS. Mr. President, the Senator from Kentucky well knows that time after time I have taken the floor and have discussed the very question he has been talking about, and in my limited way I have attempted to advise various committees to hold hearings on resolutions coming before them, and to submit some kind of report so that the Committee to Audit and Control the Contingent Expenses of the Senate can in-

telligently reach a conclusion as to the amount of money which should be spent.

Mr. BARKLEY. Mr. President, does the Senator know whether the resolution has to do with price ceilings?

Mr. LUCAS. I do not know with what it has to do. However, in view of the inquiries of the Senator from Kentucky, I shall withdraw the resolution, and shall present it at some future time when the Senator from Alabama is present.

The PRESIDING OFFICER. The Senator from Illinois has withdrawn the resolution.

Mr. WHITE. Mr. President, I am glad the Senator has done so, for I hoped he would not press for action on the resolution at this time.

Mr. BARKLEY. Mr. President, if the Senator will permit me to make an observation while I am on my feet, I should like to say that if the resolution—which I have not had an opportunity to read—deals with prices of rayon, the O. P. A., or price legislation, it certainly should have gone to the Committee on Banking and Currency.

Mr. LUCAS. Mr. President, the resolution is very short. It provides that—

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the use of rayon and other synthetic products as substitutes for cotton and wool, including the extent of the use of such synthetic products and their effect upon the Nation's economy, the cost, utility, and economy of such synthetic products, the material and manpower required for their production, and the effect of using such material and manpower for that purpose, the extent to which and terms upon which Government agencies have encouraged and financed the production of such synthetic products, and such other matters related to such products as the committee deems appropriate.

And so forth.

Mr. BARKLEY. It evidently is not particularly concerned with prices.

Mr. LUCAS. I should not say it is.

Mr. BARKLEY. I should like to look into the resolution. I may not object to it when it comes up again.

Mr. LUCAS. I wish to make a further observation with respect to such resolutions. As the Senator well said a moment ago, it is the theory that some legislation will grow out of every investigation. But when study is made as to the legislation which has grown out of such investigations, I think it will be found that the amount of such legislation is very small, indeed.

Mr. BARKLEY. A good deal of straw has been threshed out, with very little wheat, so far as legislation is concerned.

Mr. LUCAS. And more chaff, perhaps, than anything else. Of course, that does not apply to all committees.

Mr. BARKLEY. Of course, I would not make that blanket statement about all committees.

Mr. LUCAS. Not at all.

Mr. BARKLEY. But certainly it was necessary to increase very materially the amount of the contingent fund of the Senate for the present session of Congress, because of the enormous amount of money spent by committees making investigations. I certainly do not wish to conceal from the Senate or from any

committee any desirable information. This remark does not apply any more to the resolution which has been under discussion than it applies to a dozen other resolutions which have been submitted to the Senate. The Senate should have something else in mind besides the mere desire of some Senator to investigate some subject, before it agrees to a resolution providing for the expenditure of money for such a purpose.

The PRESIDING OFFICER. Does the Senator from Illinois desire to report the resolution, so that it may be placed on the calendar?

Mr. LUCAS. Mr. President, I report the resolution, with the understanding that it be placed on the calendar.

PAYMENT FOR REPORTING SERVICE INCURRED BY COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably Senate Resolution 302, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution (S. Res. 302) submitted by Mr. HAYDEN on June 5, 1944, as follows:

Resolved, That the expense of \$106.75 for stenographic reporting incurred by the Committee on Irrigation and Reclamation at the hearing on February 3, 1944, on the subject of the delay in construction of irrigation projects, hereby is authorized to be paid from the contingent fund of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

EMPLOYMENT OF ADDITIONAL PRIVATES FOR THE POLICE FORCE

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably Senate Resolution 303. The resolution is short, and I shall read it:

Resolved, That the Sergeant at Arms hereby is authorized to employ 10 additional privates for the police force, to be paid from the contingent fund of the Senate from June 1 to September 30, 1944, at the rate of \$1,620 each per annum.

The resolution grows out of the fact that for some time the members of the armed forces have not been guarding the Capitol and the grounds around it. The Sergeant at Arms has an unusual number of duties to perform around the Capitol during the summer months. I think the resolution is very appropriate, and should receive the favorable consideration of the Senate. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 303), submitted by Mr. HAYDEN on June 5, 1944, was considered and agreed to.

EXTENSION OF PROVISIONS OF THE SUGAR ACT OF 1937, AS AMENDED

Mr. GEORGE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 4833, Calendar No. 969.

The PRESIDING OFFICER. The bill will be reported by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4833) to extend, for 2 additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

Mr. GEORGE. Mr. President, this is a House bill; but a companion bill, which was introduced by the senior Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Colorado [Mr. JOHNSON], has already been reported by the Senate Finance Committee. The senior Senator from Colorado will explain the purpose of the bill.

I move that the Senate proceed to its present consideration.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Colorado. Mr. President, House bill 4833 extends for a 2-year period the present sugar compromise legislation which has been on the statute books since 1937. It was originally enacted in 1937 for a period of 3 years. In 1940 it was extended for another year. In 1941 it was extended for 3 years further. Now it is proposed to extend the same legislation for 2 more years.

In the House bill there is no change whatsoever in any part of the present sugar legislation. All that has been done is to extend all the dates, so that all provisions of the sugar bill will have a 2-year extension of life.

I do not know that anything needs to be said at this time about the legislation. I think the Senate is very familiar with it. I shall be glad to answer any questions.

The Senator from Idaho [Mr. CLARK] is very much interested in the bill. He could not be present today, but he asked me to request unanimous consent to have printed in the RECORD a letter signed by Mr. H. A. Benning, president of the Amalgamated Sugar Co., of Ogden, Utah, endorsing the extension of the Sugar Act. Therefore, I ask unanimous consent that the letter may be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMALGAMATED SUGAR CO.,
Ogden, Utah, May 29, 1944.

HON. WORTH D. CLARK,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: The Sugar Act of 1937 expires December 31, 1944. It is desired to extend it for 2 years in its present form. In the case of sugar beets, it provides for acreage allotments and benefit payments to growers. In the Idaho area these payments amount to about \$2.50 per ton. Theoretically, they are 80 cents per hundred pounds of recoverable sugar—raw value.

The reason why we processors and growers want the act extended is that it authorizes the Secretary of Agriculture to restrict importations of off-shore sugars, also restricts domestic production, which if not done would put our farmers in direct competition with Cuba, for instance, where labor rates are not more than 20 percent of ours.

The conditional payment the farmers receive in normal times would return to the farmer, when combined with the payment made by processors, about \$6.50 to \$7 per ton. This is a satisfactory price to Idaho growers when farm labor and material prices return to normal—that is, what they were in 1939. If they remain higher the chances are raw sugar prices will be higher, as I understand wage rates in Cuba, while only 20 percent of ours, are substantially higher than they were in 1939. If sugar prices after the war are at a level that enables us to net \$3.50 per 100 pounds (at the present time we are netting about \$4.50), then Idaho growers would obtain about \$7.60 per ton.

While we are not entirely in sympathy with the regimentation the Sugar Act imposes upon the industry, we do think it is the best instrument it is possible to get to stabilize conditions in the industry. At the present time there seems to be a wave of sentiment favoring good-neighbor policy, with little or no tariffs, in which case with no authority to restrict imports in effect, the country would be flooded with sugar produced under peonage labor conditions.

I hope you will go after this vigorously. If you need any additional information contact Fred Taylor, at the United States Beet Sugar Association.

Best luck and kindest regards.

Sincerely yours,

H. A. BENNING,
President.

Mr. JOHNSON of Colorado. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD certain letters and data which I have before me, which explain the bill, its terms, and the reasons why it should be enacted.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters and data were ordered to be printed in the RECORD, as follows:

JUNE 5, 1944.

HON. HARRY F. BYRD,
United States Senator, Senate Office
Building, Washington, D. C.

DEAR SENATOR BYRD: When the Senate Finance Committee was considering the extension of the Sugar Act you asked for certain data with respect to subsidies that were supposed to be paid to Florida producers to not produce.

There are no Federal restrictions on sugar production in Florida or any other domestic area, whether continental or insular, all such restrictions having been lifted in the fall of 1941. On the contrary, the Federal Government has endeavored, through programs designed to assure adequate supplies of labor and machinery to growers, through price-support programs, and through other measures to stimulate maximum sugar production in this country and in the nearby off-shore areas during the war.

Since the Sugar Act of 1937 was enacted, sugar production in Florida has increased very greatly, going from an average of approximately 36,000 short tons, raw value, for the 1931-1937 period to about 77,000 tons in the 1938-1944 period. Sugar production in that State reached its peak in the 1940-41 season when 98,291 tons were produced, followed by 1941-42 with 92,278 tons. In the 1942-43 season sugar output there declined to about 62,000 tons because of labor

shortages and freeze. Although the Federal Government played an important part in securing adequate supplies of labor for the harvesting of the 1943-44 Florida crop, bringing several thousand foreign workers there for this purpose, this year's crop was also damaged by freeze and is not therefore expected to be much larger than its predecessor. The United States Sugar Corporation at Clewiston, Fla., grows about 85 percent of the sugarcane produced in that State and processes about 95 percent of all Florida sugar.

The Sugar Act of 1937 provides conditional payments to growers at the basic rate of 80 cents per hundred pounds of commercially recoverable sugar, raw value, with downward graduations in the rate of payments to the larger producers. In fact, on production in excess of 30,000 tons, payments are at the rate of only 30 cents per hundredweight. As a result of this provision for downward graduations, the Federal Government annually disburses several million dollars less than would be the case were the larger growers paid at the basic rate of 80 cents per hundred pounds.

It should be noted, however, that sugar marketed in this country for direct consumption is subject to an excise tax of 50 cents per hundred pounds, raw value. Consequently, the downward graduations in the rate of payments to large producers such as the United States Sugar Corporation mean that the conditional payment received by many of such producers, a large number of whom are located in Louisiana, Hawaii, and Puerto Rico, is smaller than the tax borne on the sugar produced by them.

I know it is your contention that the consumer of sugar pays the 50-cent processing tax. If that were true, the price of sugar would have advanced 50 cents when this tax was levied, but it did not advance 50 cents or even 1 cent. However, the tariff on Cuban sugar was reduced for the benefit of the consumer.

Prior to the war, when there was a price-depressing surplus of sugar in the world, the payments under the Sugar Act could properly be considered as Federal grants to producers since they were over and above the world price of sugar. Since the war, however, with sugar in short supply and a rationed commodity, they represent benefits paid for the consumer's account, since without them ceiling prices for sugar would have to be increased greatly. The retail price of sugar has remained virtually stationary during the war, the national average being about 6.8 cents per pound, compared with 9.7 cents during the Government-control period of the last war and a much higher price in the post-war period.

The conditions producers must meet today in order to qualify for sugar payments under the act are the elimination of hired child labor, payment of fair wages to farm labor, carrying out soil-conservation practices and, if they are also processors, payment of fair prices for sugar beets or sugarcane bought from other growers. Prior to the enactment in 1934 of legislation similar to the Sugar Act of 1937, the protection given domestic sugar producers was entirely in the form of a tariff which was accorded them without conditions.

The total quantity of sugar produced in Florida, as well as the portion produced by the United States Sugar Corporation, under the programs authorized by the Sugar Act of 1937, and the annual payment made to this firm have been as follows:

The payments made to the Florida concern are not always comparable to the quantity of sugar produced for in certain years part of the payment represented partial crop insurance on sugar lost as a result of acreage abandonment or crop deficiency.

I most earnestly hope that you will not oppose the extension of the Sugar Act.

Sincerely,

ED. C. JOHNSON.

JUNE 7, 1944.

HON. HARRY FLOOD BYRD,
United States Senate,
Washington, D. C.

DEAR SENATOR BYRD: California sugar-beet growers are pressing me for the early enactment of the bill to extend the Sugar Act 2 years. Senator BARKLEY will let me bring it up next if the debate on it is not to be too prolonged.

As you know, it requires 18 months to produce a crop of sugar cane and since sugar-beet culture necessarily follows a rotation system one might well argue that it requires 18 months to 2 years to grow a crop of beets.

For some years prior to the war, California was among the foremost of the 19 sugar-beet producing States. The season there is several months earlier than in the other areas, and California sugar-beet farmers—particularly in the southern part of the State—plant as early as September. However, those farmers start making plans for their next year's crops as early as June of the current year, and complete them in most areas not later than September. This is due to the system of farming there, whereunder as soon as the current year's crops are laid by, farmers start looking for land for the ensuing year. The land is chosen, under a crop-rotation plan, for its adaptability to the crop the farmer desires to plant that year.

Immediately prior to the war, normal sugar-beet plantings in California averaged around 170,000 acres annually. However, from the very beginning of the war, total returns from the beet crop did not keep pace with increases in the prices of the principal competing crops in the major beet-growing areas of the State.

Consequently, when plans for the 1943 crop were being made by the farmers there, and details of the Federal sugar program were not available until late in March of 1943 other crops were planted in lieu of sugar beets. The result was that plantings in the State dropped to about 70,000 acres that year, and 3 of the State's 10 sugar-beet processing plants did not operate.

Sugar production and payments in Florida

Crop	Total sugar production	United States Sugar Corporation production	Payments to United States Sugar Corporation
	(Short tons, raw value)	(Short tons, raw value)	
1937-38.....	56,885	53,246	\$430,420
1938-39.....	91,974	85,663	580,319
1939-40.....	70,322	65,763	470,007
1940-41.....	98,291	92,839	519,213
1941-42.....	93,278	87,651	493,729
1942-43.....	61,909	55,460	405,819
1943-44 ¹			

¹ Data not yet available.

In an attempt to avert repetition of this disaster in 1944, the California industry requested officials of W. F. A. to announce the 1944 sugar program for California not later than October 1, 1943. Actually, the program was not announced until late in January of 1944, and it again did not restore the normal price relationship between sugar beets and competing groups.

The result of this tardy and inadequate action was that again this year only 70,000 acres of sugar beets were planted in the State. Therefore in 1943 and 1944 at least 200,000 total acres of sugar beets were not grown in California that could and should have been grown. Production of sugar per acre there averages about 5,000 pounds per acre, so a total potential production of at least 1,000,-

000,000 pounds of beet sugar was irrevocably lost.

This alone is bad enough when considered in the light of the present world sugar supply situation, but it isn't the whole story. By-products from an acre of sugar beets provide cattle and dairy feed equivalent to 2 average acres of corn. This means, then, that these lost acres would have furnished, in byproducts alone, the equal of about 400,000 acres of corn, a tragic loss of what could have been a substantial alleviation of the present extremely critical feed supply situation.

California's sugar beet industry is now engaged in an effort to obtain from W. F. A. within the next 2 or 3 weeks an announcement of their intentions with regard to the 1945 sugar-beet crop in California. Conditional payments under the Sugar Act of 1937 average a little above 20 percent of the total returns from a ton of beets. Obviously, therefore, if a maximum acreage of beets is to be obtained in California in 1945, it is as important for California growers to know early about the continuation of the Sugar Act of 1937 as it is for them to know details of W. F. A.'s sugar program.

I hope that you will withdraw your objections to the 2-year extension so that I may get the bill through following disposition of the pending price-control measure.

Sincerely,

ED. C. JOHNSON,

United States Senator from Colorado.

1942 domestic sugar crop

Largest producer in—	Sugar for payment (100 pounds)	Excise tax at 50 cents per hundred-weight	Conditional payment at basic rate of 80 cents per hundred-weight	Actual payment to grower after reductions	Amount by which excise tax exceeds payment
Sugar-beet area.....	80,180	\$40,090	\$64,144	\$48,144	—\$8,054
Florida.....	1,319,389	659,694	1,055,511	515,867	143,827
Hawaii.....	1,540,027	770,014	1,232,022	582,068	187,956
Louisiana.....	376,635	188,318	301,308	193,951	—5,633
Puerto Rico.....	1,803,456	901,728	1,442,765	661,087	240,641

Mr. JOHNSON of Colorado. Mr. President, I have one further word to say. The original sugar bill was a compromise bill. I should call it more of a consumers' bill than a producers' bill. The producers, however, are nearly all in favor of it. The sugar-beet growers, as well as the manufacturing interests, are in favor of the bill.

Mr. VANDENBERG. Mr. President, I cordially agree with the able Senator from Colorado [Mr. JOHNSON] regarding the importance and advisability of passing the pending bill; but I wish to refer to one practice which has currently developed in regard to sugar imports from Cuba.

When the Commodity Credit Corporation first began to purchase the Cuban crops of sugar it brought the crop in, paid our duties on it, and then sold it for refining purposes to refiners at the duty-paid price. Subsequently the price was changed, and inasmuch as the transaction involved the Government exclusively, certain powers were exercised under an old statute, namely, the statute of June 30, 1940, suspending all tariffs on commodities brought into the United States by the Government to be disposed of under Government auspices. Therefore, at the present time I understand that the Commodity Credit Corporation

is importing Cuban sugar duty free, and then selling it to the refiners at the duty-paid price.

So far as the Government is concerned, of course, it is not out of pocket on a transaction of that kind. So far as the Government and the Congress are concerned, the device simply increases the funds of the Commodity Credit Corporation, inasmuch as it no longer has to pay into the General Treasury the tariff duties which the law requires to be paid upon Cuban imports into the United States.

The point I wish to make very clear is this: As to the practice to which I have referred the Cuban sugar interests have clearly indicated in current publications that they think that inasmuch as the Government has now suspended the collection of tariffs on Cuban sugar, they should be entitled to the proceeds. They also clearly indicate that they believe that when the present emergency has passed, and emergency purchases by the Government have ceased, the existing duty-free arrangement should be continued in their favor. There is not much doubt concerning their expectations with regard to this subject. I have before me a copy of the Weekly Statistical Sugar Trade Journal of June 8, 1944. I particularly refer to a paragraph headed "Duty free?" I ask that the paragraph be printed in the RECORD at this point as a part of my remarks.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

DUTY FREE?

Tariff duty collections on sugar actually have been stopped at the United States customs. Such stoppage, however, will benefit neither Cuba nor the American refiners—nor will it result in a lower ceiling price. It can be surmised, therefore, that Commodity Credit Corporation will devote the equivalent of the suspended tariff duty to cover the extra expenses incurred in moving Cuban sugars to shipping ports other than the mills' natural outlets, maritime freight surcharges, and other charges incurred in the United States.

We know that according to the 1944 crop-purchase contract the tariff suspension cannot benefit Cuba in 1944. It is, however, a favorable omen. If, as it can reasonably be expected, Commodity Credit's revenue from the suspended tariff on 1944 crop sugars will suffice to pay for all those extra expenses on 1944 and 1945 crop sugars, Cuba might well be given the 75 cents per 100 pounds as an increase in price for her 1945 crop, adding up to the equivalent of what Mexico has just paid Peru for 10,000 tons and close to the equivalent of what Chile also paid Peru for 56,000 tons.

It is high time that Cuba should get what is due her. We have often been told that the reasons for denying Cuba a rightful increase in price were the undesirability of raising the ceiling price and the impossibility of granting subsidies to a foreign country. Our suggestion removes all these obstacles and leaves no acceptable excuse for not taking immediate action to correct an unfair situation as harmful to Cuba from the viewpoint of social standards as it is detrimental to the United States from the viewpoint of vital supplies.

Mr. VANDENBERG. I shall not take the time of the Senate to read in detail the statement which I have just received unanimously consent to have printed in the RECORD. I simply summarize it by saying that the whole argument is that

now, at long last, our own Government has set the pattern for giving Cuba the price it thinks it should have on its sugar with reference to the American price. I merely assert, at least for myself, that any temporary tariff cancelations—proper under the law—shall not be used as a basis for import subsidies, or as a basis for a post-war precedent in respect to our tariffs.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. JOHNSON of Colorado. I am sure the Senator from Michigan agrees that there is nothing in the original Sugar Act, and nothing in the proposed extension of the act which would give Cuba any basis for such a contention as the Senator has described.

Mr. VANDENBERG. I cordially agree with the Senator from Colorado.

I took this matter up with the Treasury Department. I ask to have the reply received from Secretary Morgenthau printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, May 31, 1944.

HON. ARTHUR H. VANDENBERG,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Further reference is made to your letter of May 20, 1944, requesting to be advised whether certain information you have in connection with Cuban raw sugar purchased by the Commodity Credit Corporation is correct.

It is your understanding that Commodity Credit Corporation purchased the total Cuban crops for the last 2 years, imported such sugar into the United States, paying the regular duty, and then sold it to the seaboard refiners for the duty-paid price. You have been told that, by arrangements between the Commodity Credit Corporation and the Treasury Department, the Commodity Credit Corporation will now bring Cuban sugar in duty-free and sell it to the refiners at the duty-paid price. You state that this would not make any final difference from a financial standpoint so far as the Government is concerned but that it would seem to act the same as an increase in the appropriations to the Commodity Credit Corporation and that it would seem to put Cuban sugar on the free list despite tariff laws to the contrary.

I have looked into this matter and am pleased to furnish you with the following information:

The act of June 30, 1914 (34 U. S. C. 568), authorizes the Secretary of the Navy to make emergency purchases of war material abroad and provides that when such purchases are made the material shall be admitted free of duty. Effective May 30, 1942, the authority contained in the act of June 30, 1914, was extended under the authority of the First War Powers Act, 1941, approved December 18, 1941 (Public Law 354, 77th Cong.), to the officers and agencies specified and described in Executive Order No. 9177.

Under date of May 11, 1944, the president of the Commodity Credit Corporation, one of the governmental agencies entitled to the benefits of the act of June 30, 1914, as extended, addressed to the Commissioner of Customs a communication (1) stating that shipments of raw sugar would arrive at certain ports of entry in the United States beginning May 14, 1944, consigned to or covered by bills of lading endorsed to the Com-

modity Credit Corporation and would be entered in the name of that Corporation; (2) certifying, in accordance with section 2 of Executive Order No. 9177, that the procurement of such shipments of sugar constituted an emergency purchase of war material abroad by the Commodity Credit Corporation; and (3) requesting that such shipments be admitted free of duty pursuant to the act of June 30, 1914, and Executive Order No. 9177. Accordingly, the Commissioner of Customs authorized the collectors of customs at the ports designated to accord free entry to the shipments of raw sugar described in the communication of May 11, 1944, from the Commodity Credit Corporation.

Free entry also was accorded to certain shipments of sugar imported prior to May 14, 1944, which were certified to by the Commodity Credit Corporation under the act of June 30, 1914, and Executive Order No. 9177. The Treasury Department understands, however, that prior to May 14, 1944, Cuban sugar was entered for consumption in the name of and duties were paid by the refiners.

The Treasury Department has no knowledge of the terms of the contracts between the Commodity Credit Corporation and the refiners and, consequently, is unable to advise you as to the prices at which sugar is sold to refiners.

Very truly yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

Mr. VANDENBERG. I am raising the question not because I believe there is a remote basis for the Cuban claim, or expectation. I wish to make it plain, however, that such expectation exists, and that it is based upon the present practice of the Commodity Credit Corporation in respect to the cancellation of duties on Cuban sugar. I am doing precisely what the Senator from Colorado has indicated. I am asserting my own belief that there is no basis under the act, or under the existing emergency importations, for any contemplation which would justify any Cuban claim to a benefit from the canceled tariffs, now or hereafter.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MURDOCK. I wish to express my interest in the proposed legislation. I hope that it will be favorably acted upon at this time by the Senate.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1933 will be indefinitely postponed.

PREFERENCE TO VETERANS IN FEDERAL CIVIL SERVICE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 4115.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4115) to give honorably discharged veterans, their widows, and the wives of disabled veterans, who themselves are not qualified, preference in employment where Federal funds are disbursed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate proceeded to consider the bill (H. R. 4115) which had been reported from the Committee on Civil Service with amendments.

The first amendment of the Committee on Civil Service was, in section 1, on page 2, line 7, after the word "served", to strike out "honorably" and insert "on active duty."

The amendment was agreed to.

The next amendment was, on the same page, line 8, after "United States", to insert "and have been separated therefrom under honorable conditions and."

The amendment was agreed to.

The next amendment was, on the same page, line 15, after the words "ex-servicemen", to strike out "and the husbands of such service-connected disabled ex-servicewomen."

The amendment was agreed to.

The next amendment was, on the same page, line 18, after the word "served", to strike out "honorably" and insert "on active duty."

The amendment was agreed to.

The next amendment was on the same page, line 21, after the word "authorized", to strike out "the widowers of any deceased ex-servicewomen who have served honorably in any branch of the armed forces of the United States during any war or in any campaign or expedition (for which a campaign badge has been authorized) who are supporting any children under 18 years of age of such deceased ex-servicewomen" and insert "and who were separated therefrom under honorable conditions."

The amendment was agreed to.

The next amendment was, on page 3, line 3, after the word "those", to strike out "honorably discharged."

The amendment was agreed to.

The next amendment was, on the same page, line 4, after the word "served", to insert "on active duty."

The amendment was agreed to.

The next amendment was, on the same page, line 7, after the word "authorized", to insert "and have been separated therefrom under honorable conditions."

The amendment was agreed to.

The next amendment was, in section 5, on page 4, line 18, after the word "physician", to strike out "in the service of the United States."

The amendment was agreed to.

The next amendment was, in section 12, on page 8, line 17, after the word "efficiency", to strike out "rating" and insert "ratings."

The amendment was agreed to.

The next amendment was, in section 15, on page 11, line 10, after the word "eligibles", to insert "except of 10-point preference eligibles."

The amendment was agreed to.

The next amendment was, in section 20, on page 12, line 17, after the word "apply", to insert "to any position in or under the legislative or judicial branch of the Government or."

The amendment was agreed to.

Mr. WHITE. Mr. President, I should like to ask the Senator from Virginia whether this bill comes before the Senate with the unanimous report of the Committee on Civil Service.

Mr. BYRD. Mr. President, in response to the question of the Senator from Maine, I may say that the bill passed the other House with only 1 dissenting vote. The vote there was 375 to 1. The bill comes to the Senate with the unanimous report of the Committee on Civil Service. It has the approval of the President of the Civil Service Commission and of all the veterans' organizations.

Mr. WHITE. Mr. President, I know of no objection to the bill on the part of any Member on this side of the Chamber.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4115) was read the third time and passed.

ENTRY OF REFUGEES AND OTHER ALIENS INTO THE UNITED STATES

Mr. HOLMAN. Mr. President, this morning the President of the United States addressed a message to the Congress dealing with the distress of the Jewish people in Europe and his purpose to bring immediately into the United States approximately 1,000 refugees who have fled from their homelands to southern Italy.

I am advised that the President of the United States has no constitutional authority thus to set aside and violate the laws of the Congress restricting immigration into our country. Because I am in sympathy with the humanitarian problem involved, while at the same time I am opposed to the President's policy of ignoring the limitations placed upon him by the laws of the Congress and would protect the President personally from the provisions of title VIII, section 144, United States Code, I read the language of section 144 for the benefit of the Senate, the House of Representatives, the President, and the American people:

144. Bringing in or harboring or concealing certain aliens:

Any person, including the master, agent, owner, or consignee of any vessel, who shall bring into or land in the United States, by vessel or otherwise, or shall attempt, by himself or through another, to bring into or land in the United States, by vessel or otherwise, or shall conceal or harbor or attempt to conceal or harbor, or assist or abet another to conceal or harbor, in any place, including any building, vessel, railway car, conveyance, or vehicle, any alien not duly admitted by an immigrant inspector or not lawfully entitled to enter or to reside within the United States, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$2,000 and by imprisonment for a term not exceeding 5 years for each and every alien so landed or brought in or attempted to be landed or brought in. (February 5, 1917, c. 29, par. 8, 39 Stat. 880.)

Mr. President, it seems to me to be in order now either for the Congress to repeal or amend its present laws restricting immigration or for the President to conform to the laws of the Congress.

DEVELOPMENT OF THE MISSOURI RIVER BASIN

Mr. BUTLER. Mr. President, there has been under way before the Rivers and Harbors Committee a long series of hearings in connection with various programs which are proposed in the river and harbor bill, in one of which I am particularly interested, namely, that relating to the Missouri River Basin. There are also hearings being held before the Flood Control Committee at the present time. I am keenly interested also in the hearings that are being conducted before that committee. Ordinarily I would submit the editorials—short newspaper comment I am about to present—to be included in the report of the committee, but, in view of the fact that the committee report will perhaps be long delayed, I ask unanimous consent to have inserted in the body of the RECORD following my remarks an editorial appearing in the July 10 issue of the Omaha World-Herald, followed by a very short comment appearing in the same newspaper, which includes a report of the engineers of the nine States comprising the Missouri River Basin. The report of these engineers was made at the suggestion of the Governors of the nine States, and I am sure that the Members of the Senate will be interested in it.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows.

[From the Omaha World-Herald of June 10, 1944]

THE SENSIBLE ENGINEERS

A couple of months ago the Governors of nine Missouri River States held a conference at Omaha to discuss plans for river development.

They found that they needed more facts. So they called upon their State engineers—one from each State—to study the situation and make a report.

That report is now at hand. And it is one of the most heartening and constructive documents that has come to the public's attention since the tiresome river squabble began.

For the nine engineers, representing equally the up-river, middle-river, and down-river States, are in complete agreement.

And the gist of their report is that, according to their best estimate, there is plenty of water in the Missouri to supply every irrigation project now in existence or proposed by the Bureau of Reclamation and to provide in addition a 9-foot channel for navigation.

In other words, it is the opinion of the engineers that both the Pick plan, with the 9-foot channel, and the Reclamation plan can be put into operation simultaneously, and that there will be enough water for all.

And what if their estimate should prove to be wrong? The State engineers reply:

"Both agencies (United States engineers and Reclamation Bureau) recognize that their plans constitute a broad framework, and that details are to be worked out during the years of the development period, through the coordinated and cooperative efforts of Federal and State agencies and local interests."

That is the scientific and the civilized approach.

Selfish business and political interests have tried mightily to make it appear that Montana cannot agree with Nebraska, that North Dakota cannot see eye to eye with Missouri. But the engineers have exposed that fallacy. They have shown that there is, among the river States, no conflict which won't yield to common sense.

RIVER WATER CALLED AMPLE—NINE STATE ENGINEERS MAKE REPORT

There is enough water in the Missouri River to provide for all irrigation now proposed by the Bureau of Reclamation for a 9-foot navigation channel below Sioux City, and for sanitation requirements.

This is the heartening gist of a report reached unanimously by engineers representing all nine Missouri River States.

The engineers' report, written after a week's conference in Omaha recently, was made public Friday. The engineering subcommittee was named at a meeting of Governors—the Missouri River States committee—in Omaha 2 months ago.

The engineers, weighing all available information, find the average annual water supply at Sioux City is 22,473,000 acre-feet.

Requirements for irrigation, estimated by the Bureau of Reclamation for the engineers' committee, are 6,800,000 acre-feet above Sioux City.

Requirements for navigation, estimated by the Army engineers, are 14,281,000 acre-feet.

Requirements for sanitation, estimated by the United States Public Health Service, are 1,364,000 acre-feet.

This adds up to 22,445,000 acre-feet at Sioux City, slightly less than the water estimated to be available if proper storage facilities are constructed.

The report of the engineers subcommittee should do much to end the present row between the upper States which want irrigation, and the lower States which want navigation and flood control. Cause of the dispute has been the fear there was not enough water for both navigation and irrigation. Upper river people have generally backed a Bureau of Reclamation plan, estimated to cost more than a billion dollars, for development of the Missouri Basin. Lower river people have backed an Army engineers plan, written by Brig. Gen. Lewis A. Pick, for the valley-wide development. Cost of the Pick plan has been set at more than \$500,000,000, but the estimate does not include all phases of the proposed development.

A SOUND BASIS

The engineers' subcommittee reports:

"After a complete examination of the reports of the Army engineers and the Bureau of Reclamation, it is the conclusion of your subcommittee that these agencies have each in their sphere accomplished in a complete and comprehensive manner the tasks assigned them, and, together, their reports constitute a sound basis for the development of the Missouri River Basin.

"If it should appear that under certain circumstances there might be possible conflicts in use of water it must be remembered that both agencies recognize that their plans constitute a broad framework, and that details are to be worked out during the years of the development period, through the coordinated and cooperative efforts of Federal and State agencies and local interests.

"Time will indicate more accurately the quantities of water required for the various uses in the basin. At this time the Bureau of Reclamation cannot determine definitely the acreage that ultimately will be irrigated, nor when complete irrigation development will be accomplished, nor what the ultimate use of the water will be. Likewise, the Army

engineers cannot determine definitely the amount of water required to maintain a navigation channel.

"As construction proceeds and details are developed, your subcommittee believes that the States of the basin, through the Missouri River States committee, or a similar agency to succeed it, should continue active, and thus work with the Federal agencies throughout the period of development of the basin."

In arriving at the amount of water the engineers' subcommittee considered, estimates of both the Army engineers and Bureau of Reclamation, and some new material.

Signers of the report are Warner G. Scott, Nebraska; C. L. Patterson, Colorado; L. A. Winter, Iowa; George S. Knapp, Kansas; R. E. Duffy, Missouri; Fred E. Buck, Montana; J. J. Walsh (represented by Edward Booth), North Dakota; Dean W. Loucks, South Dakota; and L. C. Bishop, Wyoming.

PORTRAIT OF THE LATE SENATOR CHARLES L. McNARY, OF OREGON

Mr. HOLMAN. I should like to make an inquiry of the Senator from Kentucky. Several days ago I submitted a resolution empowering the Senate or the Architect of the Capitol Building to accept on behalf of the Senate a portrait painting of the late Senator Charles L. McNary, of Oregon. Is there any progress being made on that matter?

Mr. BARKLEY. I will say to the Senator that really it has not been customary nor has it been considered necessary for the Senate to adopt such resolutions. The Committee on the Library exercises the function of approving the placing of portraits in the Capitol. I can say to the Senator that while, of course, there is no objection to it, and I am satisfied that the Committee on the Library would be unanimously in favor of it, it has not been regarded as necessary to adopt formal resolutions.

Mr. HOLMAN. Then, the legislative situation is that there will be no action taken on the resolution?

Mr. BARKLEY. If the Senator desires formal action taken, of course there is no objection to that being done, but it has not been necessary heretofore.

Mr. HOLMAN. I want merely to accomplish the purpose that I am sure we all have in mind. There is no opposition to it.

Mr. BARKLEY. No. The only difficulty about a formal resolution is that it might be regarded as a precedent that would make it necessary hereafter to take similar action in other cases, whereas the Joint Committee on the Library for a long time, has passed upon, and under the rules has the right to pass upon, such questions. We recently accepted a portrait of former Senator Gorman, of Maryland, of Senator Shepard of Texas and other portraits which have been hung in the corridors of the Capitol without formal action of the Senate.

Mr. HOLMAN. For my own information, if the Senator will advise me, Am I correct in my understanding, then, that there will be no action taken on the resolution submitted by me and that when a portrait painting of the late Senator McNary is available and acceptable to those who are managing the matter, it will

then be presented to the Committee on the Library?

Mr. BARKLEY. The Senator is correct; and I can assure there will not only be no objection to it but we will be happy to act favorably upon it.

Mr. HOLMAN. I thank the Senator.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate messages from the President of the United States, which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees the nominations on the calendar will be stated.

THE NAVY

The legislative clerk read the nomination of Harold Dodd to be commodore in the Navy for temporary service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc, and without objection the President will be notified forthwith of all nominations confirmed today.

Mr. BARKLEY. Mr. President, has all the business on the calendar been concluded?

The PRESIDING OFFICER. All except a treaty

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 13, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 12 (legislative day of May 9), 1944:

IN THE NAVY

Rear Admiral William S. Pye, United States Navy, when retired on July 1, 1944, to be placed on the retired list with the rank of Vice Admiral pursuant to an act of Congress approved June 16, 1942.

IN THE MARINE CORPS

The following-named naval aviators of the Marine Corps Reserve to be second lieutenants in the Marine Corps, in accordance with the provisions of the Naval Aviation Personnel Act of 1940, as amended:

Richard E. Maulsby, from the 9th day of February 1942.

Alexander M. Hearn, from the 1st day of May 1942.

Frank H. Simonds, from the 18th day of July 1942.

Robert H. Barrow, a citizen of Louisiana, to be a second lieutenant in the Marine Corps from the 28th day of July 1943.

Earl F. Stanley, a citizen of Ohio, to be a second lieutenant in the Marine Corps from the 7th day of August 1943.

The below-named citizens to be second lieutenants in the Marine Corps from the 4th day of February 1944:

Grover C. Williams, Jr., a citizen of Virginia.

Gerald G. Kirby, a citizen of Florida.

Charles E. Walker, a citizen of Illinois.

Raoul J. Archambault, a citizen of Rhode Island.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 12 (legislative day of May 9), 1944:

IN THE NAVY

TEMPORARY SERVICE

Harold Dodd, to be a commodore in the Navy, for temporary service, to continue while serving as chief, United States Naval Mission to Brazil.

POSTMASTERS

MICHIGAN

Roy G. Hubbard, Hastings.

MISSOURI

Harry M. Ward, Canton.

Rolla Hayes, Clever.

William W. Bledsoe, East Prairie.

Kathryn M. Boemler, House Springs.

Mabel L. Warren, Laredo.

NEBRASKA

Harry E. Callender, Stapleton.

Otto Dau, Yutan.

VERMONT

Archie H. Bailey, Chelsea.

VIRGINIA

Adrian Garrett Carter, Edinburg.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 12, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Dear Lord and Father of mankind, as the rain and sunlight fall upon the evil and the good, so Thy children share in the Father's blessings. Do Thou increase the power of our spiritual apprehension so that we may render ourselves to the glorious influence of Thy spirit. Be pleased to hush every discontented word and quiet the pulse of complaining and doubt. Let nothing be done through strife and vainglory, but each esteeming the other better than himself.

As a measure of human values and as a rule of human behavior, may there go forth a power that will brighten the dark places, dispel differences, and bring forth a better day of cooperation. Thou who art chiefest among ten thousand, give unto every citizen a conscientious purpose to search his own breast in the light of the world's crying need. The good Lord gives to each of us the marvelous mercies of our homeland with its golden opportunities, dictating life and destiny. Challenged by these, O lead us forth to help drive the scourge of war